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LEGISLATIVE HISTORY

Public Law 88-560

S. 3049

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INDEX AND SUMMARY OF S. 3049

- Jan. 27, 1964 Both Houses received President's message on housing. H. Doc. 206. Print of document.
- Sen. Sparkman introduced and discussed S. 2468 which was referred to the Senate Banking and Currency Committee. Print of bill and remarks of author.
- Rep. Rains introduced H. R. 9751 which was referred to the House Banking and Currency Committee. Print of bill as introduced.
- July 29, 1964 Senate Banking and Currency Committee reported an original bill, S. 3049. S. Report No. 1265. Print of bill and report.
- July 30, 1964 House subcommittee approved H. R. 9751 (clean bill to be introduced).
- Rep. Rains introduced H. R. 12175 which was referred to the House Banking and Currency Committee. Print of bill as introduced.
- July 31, 1964 Senate passed S. 3049 with amendments. (Bill not printed as passed by Senate).
- Aug. 5, 1964 House committee reported H. R. 12175 without amendment. H. Report No. 1703. Print of bill and report.
- Aug. 11, 1964 House Rules Committee reported a resolution for the consideration of H. R. 12175. H. Res. 841, H. Report No. 1765. Print of resolution and report.
- Aug. 13, 1964 House passed S. 3049 with amendments in lieu of H. R. 12175. H. R. 12175 laid on table due to passage of S. 3049.
- House conferees were appointed.
- Aug. 14, 1964 Senate disagreed to House amendments to S. 3049.
- Senate conferees were appointed.
- Print of S. 3049 as passed by House.
- Aug. 18, 1964 House received conference report. H. Report 1828.
- Aug. 19, 1964 Both Houses agreed to conference report.
- Sept. 2, 1964 Approved: Public Law 88-560.
President's message when signing bill.
- Hearings:** House hearings on H. R. 9751 and Senate hearings on S. 2468.

DIGEST OF PUBLIC LAW 88-560

HOUSING ACT OF 1964.

Extends the expiration date of the rural housing programs contained in title V of the Housing Act of 1949 from June 30, 1965 to September 30, 1965, and authorizes an additional \$150 million for the rural housing direct loan program. Increases the limit on insured loans to provide rental housing for the elderly from \$100,000 to \$300,000. Authorizes the Secretary of Agriculture to provide financial assistance, not to exceed two-thirds of the development cost of the housing and related facilities, to any State or political subdivision or to any public or private nonprofit organization to help finance low-rent housing and related facilities for domestic farm laborers, and authorizes \$10 million for this purpose. Broadens the definition of "domestic farm laborers" to include persons who reside in the U.S. after being legally admitted for permanent residence.

DIGEST OF PUBLIC LAW 88-269

HOUSING ACT OF 1964.

Extends the expiration date of the total housing programs contained in title V of the Housing Act of 1949 from June 30, 1965 to September 30, 1965, and authorizes an additional \$150 million for the rural housing direct loan program. Increases the limit on insured loans to provide rental housing for the elderly from \$100,000 to \$300,000. Authorizes the Secretary of Agriculture to provide financial assistance, not to exceed two-thirds of the development cost of the housing and related facilities, to any State or political subdivision or to any public or private nonprofit organization to help finance low-rent housing and related facilities for domestic farm laborers, and authorizes \$10 million for this purpose. Broadens the definition of "domestic farm laborers" to include persons who reside in the U.S. after being legally admitted for permanent residence.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Jan. 28, 1964
For actions of Jan. 27, 1964
88th-2nd; No. 13

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HIGHLIGHTS: Both Houses received President's housing message. Senate committee reported protocol for Prolongation of International Sugar Agreement. Sen. Simpson criticized Administration's position on livestock and wool imports. Sen. Mechem outlined his proposals for new cotton legislation. Sen. McGovern commended bipartisan support for food-for-peace program. Sen. Nelson commended President's program to combat poverty. Rep. Whitten criticized State Dept.'s stand on agricultural trade negotiations. House subcommittee voted to report voluntary wheat marketing certificate bill without recommendations. House subcommittee voted to report bill to provide uniform recreation benefits on water resource projects. Sen. Sparkman and Rep. Rains introduced and discussed housing bill.

SENATE

1. HOUSING. Both Houses received the President's housing message (H. Doc. 206) (pp. 1045-8, 1099-1101). The President recommended extension of authority to insure loans on rental housing for the rural elderly, enactment of "an insured rural housing loan program along the lines of that proposed by the administration in the first session of this Congress," and early action "on legislation along the lines of S. 981 to assist with the housing problems of domestic farm laborers - problems which are particularly acute for our 350,000 migrant farmworkers." He stated that more than a million rural families still live in homes of such poor condition that they actually endanger the health and safety of the occupants, three million rural families live in homes that need major repairs, a third of our rural homes do not have complete sanitary facilities, and nearly two-thirds of rural homes are without adequate heating. He stated, "The rural housing programs of the Department of Agriculture, initiated in 1949 and strengthened in 1961 and 1962, have made a good start

on meeting the problems represented by these statistics, but the 20,000 rural families helped last year represent only a small fraction of the job to be done. Primary reliance on direct Federal loans for this purpose is, however, neither necessary nor - in the volume required - realistic." He proposed a program of grants and loans to States and local governments for the planning and provision of necessary public facilities in urban and rural communities, and of loan insurance for private developers constructing such facilities. He recommended establishment of a Department of Housing and Community Development.

Sen. Sparkman announced that the Subcommittee on Housing of the Banking and Currency Committee will begin hearings Feb. 3 on the President's proposed housing bill and other measures pending before the subcommittee. p. 1062

2. SUGAR. The Foreign Relations Committee reported favorably on a Protocol for the Prolongation of the International Sugar Agreement of 1958. p. 1048
3. RESEARCH; NOMINATION. Confirmed the nomination of Donald F. Hornig, N.J., to be Director of the Office of Science and Technology. p. 1048
4. BEEF AND WOOL IMPORTS. Sen. Simpson criticized the Administration's position on beef and wool import restrictions, contended that it has the authority but has failed to act to curb such imports, and inserted his statement before the U. S. Tariff Commission opposing proposed reductions in tariff duties on these products. pp. 1050-1
5. POVERTY PROGRAM. Sen. Nelson commended the President's "war on poverty" and inserted several items describing poverty in urban and rural areas. pp. 1054-60
6. SMALL BUSINESS. Concurred in a House amendment to S. 1309, to amend the Small Business Act by broadening the basis for disaster loans made to small businesses to cover all types of natural disasters. This bill will now be sent to the President. p. 1074
7. COTTON. Sen. Mechem reviewed troubles plaguing the cotton industry and outlined his proposals for new cotton legislation, including upland cotton price supports at 90 percent of the previous 3-year average market price.
8. OUTDOOR RECREATION. Sen. Hart inserted two articles, "Outdoor Recreation -- Key to a More Enjoyable Life," which mentions river basin development, water pollution control, and shoreline preservation, and "Perservance," discussing S. 792, the Sleeping Bear Dunes National Lakeshore bill. pp. 1087-93
9. FOOD-FOR-PEACE. Sen. McGovern commended the food-for-peace program listing as one of the pillars of strength of the program "its broad bipartisan support" and inserting an address by Sen. Mundt before the National Conference, American Food for Peace Council, commending the program. pp. 1094-5
10. LEGISLATIVE PROCESS. Began debate on S. Res. 111, to permit Senate committees to meet while the Senate is in session until the end of the morning hour. p. 1096
11. GOVERNMENT EFFICIENCY. The Government Operations Committee reported without amendment S. Res. 288, to provide funds for the study of matters pertaining to interagency coordination, economy, and efficiency; referred to Committee on Rules and Administration. p. 1061

DRAFTS OF BILLS RELATING TO HOUSING

M E S S A G E

FROM

THE PRESIDENT OF THE UNITED STATES

RELATIVE TO

DRAFTS OF BILLS RELATING TO HOUSING

JANUARY 27, 1964.—Referred to the Committee on Banking and Currency and ordered to be printed

To the Congress of the United States:

Our Nation stands today at the threshold of the greatest period of growth in its history.

By 1970, we shall have to build at least 2 million new homes a year to keep up with the growth of our population. We will need many new classrooms, uncounted miles of new streets and utility lines, and an unprecedented volume of water and sewerage facilities. We will need stores and churches and libraries, distribution systems for goods, transportation systems for people, and communication systems for ideas.

Above all, we will need more land, new housing, and orderly community development. For most of this population growth will be concentrated in the fringe areas around existing metropolitan communities.

I. HOUSING

Fortunately, the old pressures on our housing supply arising from depression and war-caused shortages have largely been overcome. But new pressures will develop as the number of new families rises rapidly in the late sixties. And great numbers of our families have yet to secure the true goal of every parent: not merely housing but *adequate* housing.

Now is the time to direct the productive capacity of our home-building industry to the great needs of the neglected segments of our population—this is necessary in its own right and vital to the continued strength of the industry.

Satisfaction with the 1,600,000 new housing starts in 1963 cannot obscure the fact that too many minorities, too many families of low income, too many elderly, too many rural families, and too many military families have not shared in the housing improvement which those units represent.

Unless we act and act now, the promises of the national housing policy will remain empty slogans to large numbers in these groups.

A. HOUSING FOR MINORITIES

Over a year ago, President Kennedy issued an Executive order designed to assure opportunities for equal access to federally assisted housing. Already a half million dwelling units are—or soon will be—subject to that order. This administration will continue and strengthen its efforts to translate the pledge of that order into meaningful practice. The program proposed in this message will broaden the range of housing choices open and realistically available to those whom discrimination has too long restricted.

B. HOUSING FOR LOW-INCOME FAMILIES

For over a quarter of a century, the low-rent public housing program has been the primary source of additional decent housing for families of low income. Over 1,500 communities—350 of them since 1961—have recognized the need for supplementing private efforts by creating housing authorities to build and operate public housing with Federal assistance.

The 100,000 units of federally aided public housing authorized by the Housing Act of 1961 are now all committed. But still more communities and more families need such housing.

To continue this program for those who have no other effective opportunity for better housing, *I recommend the authorization of 50,000 additional public housing units for each of the next 4 years.*

Most of these units should continue to be new construction to provide a net expansion in the volume of housing available to low-income families. However, we have at this time a real opportunity to make low-rent housing available more quickly and at lower cost in many cities by acquiring units from the existing stock of private housing and rehabilitating them, where necessary, for the use of low-income families. *I recommend amendments to the Public Housing Act to facilitate acquisition of existing housing units within the proposed 50,000 units per year.*

In other cases, leasing of standard units by local public housing authorities for use in the low-rent program is a feasible and economic approach. *I recommend, in addition, that the authority for expanding low-rent housing include authorization for local housing authorities to lease 40,000 housing units over the next 4 years.*

We have much more to learn before the housing needs of our low-income population can be adequately met. The small demonstration program provided for this purpose in the Housing Act of 1961 has

permitted a number of promising experiments to get underway. *I recommend an additional \$5 million be authorized to continue this program for at least 1 more year.* During this period, attention can be given to special housing needs, such as those of our physically handicapped, as well as to means of helping low-income persons obtain adequate housing.

C. HOUSING FOR THE ELDERLY

I believe it especially unfortunate that many of those who do not have or cannot secure decent housing are elderly. Special attention to the needs of this group at all income levels should continue.

The expansion and improvement of public housing programs that I am recommending will be used extensively for lower-income elderly. Federal insurance of loans will continue to encourage the construction of specially designed housing for elderly with adequate incomes. However, the existing authority for funds to finance the program of low-interest direct Federal loans which serves the moderate-income elderly will soon be exhausted. *I recommend that the low-interest direct Federal loan program for the elderly be extended and additional funds appropriated to permit loans of \$100 million during the coming fiscal year.*

At present, the successful program of moderate-income housing provided through loan insurance at below-market interest rates enacted in 1961 is limited to family tenants. In many cases, admission of single elderly persons to such housing would be highly desirable. *I recommend that single elderly persons be made eligible for housing financed by federally insured below-market interest loans.*

D. RURAL HOUSING

The living conditions of our rural families—including the nearly one-third of our elderly who live on farms or in small towns—likewise deserve and need special consideration:

More than a million rural families still live in homes of such poor condition that they actually endanger the health and safety of the occupants.

Three million rural families live in homes that need major repairs.

A third of our rural homes do not have complete sanitary facilities.

Nearly two-thirds of rural homes are without adequate heating.

The rural housing programs of the Department of Agriculture, initiated in 1949 and strengthened in 1961 and 1962, have made a good start on meeting the problems represented by these statistics, but the 20,000 rural families helped last year represent only a small fraction of the job to be done. Primary reliance on direct Federal loans for this purpose is, however, neither necessary nor—in the volume required—realistic.

I recommend extension of the expiring authorization in title V of the Housing Act of 1949 to insure loans on rental housing for the rural elderly. Further, in order to accelerate the basic rural housing loan program, *I urge that the Congress enact an insured rural housing loan program along the lines of that proposed by the administration in the first session of this Congress.*

I further recommend early action on legislation along the lines of S. 981 to assist with the housing problems of domestic farm laborers—problems which are particularly acute for our 350,000 migrant farm-workers.

E. MILITARY FAMILY HOUSING

The military man, in keeping with his profession, expects to endure—and frequently does endure—personal hardships during his career. We do not have the right to expect the same from his family. While the Defense Department properly relies primarily upon the private community to supply the major portion of its needs for decent and economical housing, an annual construction program to house the families of military personnel is required in those communities where the severest chronic shortages exist. Accordingly, *I have recommended in the military construction program authorizations and appropriations for 12,500 additional units for fiscal 1965 to meet the most critical needs.*

F. IMPROVEMENTS IN OTHER HOUSING PROGRAMS

Apart from the housing needs of the special groups already discussed, the partnership between private industry and Government—exemplified by Federal guarantees and insurance of private housing credit—has made possible good housing and widespread homeownership for millions of our citizens.

I intend to encourage—through legislative proposals, where necessary—even more effective cooperation between Government and industry for the joint benefit of homeowners, tenants, and the industry itself. To this end, I am proposing a number of modifications in the statutes governing our self-supporting mortgage insurance and marketing programs which will improve their efficiency and usefulness. Among these will be the following proposals:

(1) To provide relief in those isolated cases in which, despite the care exercised by builders and the Federal Housing Administration and the Veterans' Administration, substantial defects develop in new construction they have approved, *I recommend that authority be provided for the FHA and the VA to finance the correction of substantial deficiencies.*

(2) To make certain that no legislative barriers exist to discourage or prevent mortgage lenders and the Federal Housing Administration from cooperating to help delinquent mortgagors in deserving cases, *I recommend that FHA's claim and forbearance authorities be amended to encourage the temporary withholding of foreclosures against homeowners who default on their mortgages due to circumstances beyond their control.*

(3) To expand our concerted effort to substitute private credit for Federal loans, *I recommend provision of legislative authority for the pooling of mortgages held by the Federal National Mortgage Association and the Administrator of Veterans' Affairs, and the sale of participations in such pools.*

II. URBAN RENEWAL

The Federal program of urban renewal is today our principal instrument for restoring the hope and renewing the vitality of older cities and wornout neighborhoods.

The Federal assistance which provides local leaders and governments with incentives and the tools for revitalizing their communities has proven its worth—

- in eliminating housing blight;
- in contributing to restoration of the economic base of our communities; and
- in helping reshape our central areas into effective nerve centers for our cities.

The Housing Act of 1961 doubled the previous urban renewal authorization to a total of \$4 billion. By the middle of this year, all of that increase will have been committed. *I recommend that an additional \$1.4 billion of urban renewal funds be approved for a 2-year period*

Despite existing programs assisting families and persons displaced by urban renewal projects, the human cost of relocation remains a serious and difficult problem.

The vast majority of those displaced by urban renewal and public housing have relocated in better and standard housing, but some have not. For most, the cost of improved housing has been an unsought burden. For some, the inconvenience of displacement has meant only another slum dwelling and the likelihood of repeating this experience.

To assist further those families and persons least able to bear the burden of displacement, *I recommend—*

A. *that an additional annual subsidy of up to \$120 per unit be available for local public housing authorities, where needed to provide access to such housing for displacees with extremely low incomes.*

B. *that low- and moderate-income families displaced by urban renewal receive 2-year supplemental relocation payments equal to the difference between rentals on standard housing in their communities and 20 percent of their gross incomes.*

C. *that low-income single persons displaced by urban renewal or other public action be made eligible for public housing.*

Similarly, small businessmen—especially those in leased premises—often incur economic loss and hardship as a result of displacement by urban renewal or public housing which is not offset by current compensation practices and moving expense reimbursements. To provide more adequately for these firms, *I recommend authority for a separation payment of up to \$2,500 for small establishments.*

At this time of the 1960 census, 7 million nonfarm dwellings were found to be deteriorating, including 2½ million occupied by their owners. Rehabilitation and preservation of existing housing wherever possible is a key element in the urban renewal process today. Elderly homeowners in urban renewal areas with low, fixed incomes are at a particular disadvantage in trying to meet the increased housing payments required by rehabilitation. To assist them, *I recommend a program of Federal insurance and purchase of low-interest loans, with a deferral of amortization of principal, for home rehabilitation by elderly homeowners in urban renewal programs.*

III. COMMUNITY DEVELOPMENT

The great expansion of our urban areas over the last two decades has too frequently been carried out in a sprawling, space-consuming, unplanned, and uneconomic way. All levels of government are spending vast sums to accommodate this tremendous urban growth

with highways, sewer and water facilities, schools, hospitals, and other community facilities. Rural communities and small towns face similar pressures. If the taxpayer's dollar is to be wisely used and our communities are to be desirable places in which to live, we must assure ourselves that future growth takes place in a more orderly fashion.

I recommend that the urban planning assistance program and the open space program administered by the Housing and Home Finance Agency be extended.

Although the planning requirements of these and various other Federal programs—such as the Federal-aid highway program—also emphasize orderly growth and development, much more can and should be done.

The pioneering efforts of progressive and imaginative private developers in planning totally new and complete communities indicate some of the exciting possibilities for orderly growth. In the tradition of the long-established partnership between private industry and Government in housing and community development, the Federal Government should encourage and facilitate these new and desirable approaches.

Such a partnership can help achieve the orderly accommodation of a significant part of our forthcoming urban growth by means of entirely new communities, complete with all public services, all the industry and commerce needed to provide jobs, and sufficient housing and cultural and recreational facilities for moderate- and low-income families as well as for the well-to-do. To realize such new community development, and to encourage the participation of private initiative on the greatest possible scale, *I propose a program of grants and loans to States and local governments for the planning and provision of necessary public facilities and of loan insurance for private developers constructing such facilities.*

Many existing communities face problems of expansion as well. Even though they may foresee enormous development ahead, they often lack the resources to build sewer and water systems and other facilities with adequate growth capacity. Building in such capacity in advance could result in tremendous savings and prevent costly duplication or premature replacement of inadequate facilities, *I, therefore, recommend a program of public facility loans with deferred amortization to enable communities to plan and build ahead of growth.*

Early acquisition of land for right-of-way and other public improvements is frequently sound public business. Many communities which are prepared to exercise foresight in acquiring land—and to save private owners from uncertainty and hardship—lack the financial capacity to do so. Such advance acquisition, which would assure location of such facilities in accordance with planned development, could also result in substantial savings, inasmuch as the increases in land prices that occur as development proceeds would be avoided. *I, therefore, recommend that public facility loans, with deferral of amortization as required, be made available for advance land purchase or option by States and local governmental jurisdictions.*

To encourage better planned new development on a neighborhood scale, and to preserve and increase the supply of improved land for homebuilding, *I recommend Federal insurance of loans to private developers for acquisition and improvement of land for planned subdivisions.*

It is essential that all of these programs be based on the existence of effective planning arrangements in the community or region. For planned subdivisions, there should be, in addition, assurance that the neighborhood itself is carefully conceived to maintain its residential integrity and will result in efficient land use.

In our great metropolitan areas, and in our rural communities as well, the difficult problems of growth and development require understanding and cooperation at all governmental levels. The Federal Government can assist and encourage, but, in the last analysis, the success or failure of programs of community development depends on those most directly involved.

IV. URBAN MASS TRANSPORTATION

Efficient transportation systems are essential to our urban communities. Each local system should be tailored to its particular needs—existing and prospective—and the proper mixture of good highways and mass transit facilities should be developed to permit safe, efficient movement of people and goods in our metropolitan centers.

A matching grant mass transit program along the lines proposed by the administration was approved by the Senate last year (S. 6) and reported favorably to the House by its Committee on Banking and Currency (H.R. 3881). *I urge early enactment of the mass transit program as basic to the development and redevelopment of our Nation's cities.*

V. TRAINING NEEDS

The sound administration of local governments and the success of our federally supported programs of community development depend heavily on the competence of State and local public service staffs—on their ability, their imagination, and, especially, their training. Throughout the range of local functions—from traffic control to tax administration, from recreation to renewal—their efforts will influence greatly the quality of community living.

The substantial Federal investment in local community efforts justifies a deep Federal interest in the quality of local government employees and the expenditure of funds to help attract able people to local public service and help them develop the skills and perspective they need.

To this end, *I recommend a program of up to \$25 million a year in matching grants to States for the establishment of urban public service training and research programs.*

VI. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

If we are to deal successfully with the complex problems of our urban and suburban communities, we need governmental machinery designed for the 1960's, not the 1940's. The Housing and Home Finance Agency, established 17 years ago primarily to administer housing programs, has seen its responsibilities enlarged progressively by the Congress during the intervening years to include the broader aspects of community development as well. The Agency now administers such major community development programs as urban renewal, urban planning, public facilities planning and loans, open

space, and mass transit. These basic changes in the Agency's role and mission are not adequately reflected in the Agency's current organization and status which remain much the same as they were in 1947. Action to convert the Housing and Home Finance Agency into an executive department is long overdue.

The size and breadth of the Federal programs now administered by the Housing and Home Finance Agency and the significance of those programs clearly merit departmental status. A new Secretary of Housing and Community Development would be in a position both to present effectively the Nation's housing and community development needs in the highest councils of government and to direct, organize, and manage more efficiently the important and closely inter-related housing and community development programs now administered or proposed for the Housing and Home Finance Agency.

I recommend that the Congress establish a Department of Housing and Community Development.

CONCLUSION

The dramatic increase in our Nation's population projected for the coming decades—over 300 million by the year 2000—and the increasing concentration of our population around urban centers will create increased housing needs and intensified problems of community development which must be anticipated and acted upon immediately.

How we respond to these challenges will have a lasting impact on the character of our cities and rural communities. Whether we achieve our goal of a decent home in a decent neighborhood for every American family rests, in large measure, on the actions we take now.

The substantive programs I have proposed in this special message will speed our solutions to today's problems and the predictable needs of tomorrow. I earnestly urge the Congress to give the attached draft bills the attention they merit.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 27, 1964.*

A BILL To establish a Department of Housing and Community Development and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Department of Housing and Community Development Act.

DECLARATION OF PURPOSE

SEC. 2. The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of our people require, as a matter of national purpose, sound development of the Nation's communities in which the vast majority of its people live and work.

To carry out such purpose, and in recognition of the increasing importance of urban communities in our national life, the Congress finds that establishment of an executive department is desirable to achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; to assist the President in achieving maximum coordination of the various Federal activities which have a major effect upon urban, suburban, or metropolitan community development; to encourage the solution of problems of housing and of community development through State, county, town, village, or other local and private action, including promotion of interstate, regional, and metropolitan cooperation; and to provide for full and appropriate consideration, at the national level, of the

needs and interests of the Nation's communities and of the people who live and work in them.

ESTABLISHMENT OF DEPARTMENT

SEC. 3. (a) There is hereby established at the seat of government an executive department to be known as the Department of Housing and Community Development (hereinafter referred to as the "Department"). There shall be at the head of the Department a Secretary of Housing and Community Development (hereinafter referred to as the "Secretary"), who shall be appointed by the President by and with the advice and consent of the Senate. The Department shall be administered under the supervision and direction of the Secretary. The Secretary shall receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments.

(b) The Secretary shall, among his responsibilities, advise the President with respect to Federal programs and activities relating to housing and community development; develop and recommend to the President policies for fostering the orderly growth and development of the Nation's communities; exercise leadership at the direction of the President in coordinating Federal activities affecting community development; provide technical assistance and information including a clearinghouse service to State, county, town, village, or other local governments in developing solutions to community development problems; encourage comprehensive planning by the State and local governments with a view to coordinating Federal, State, and community development activities at the local level; and conduct continuing comprehensive studies, and make available findings, with respect to the problems of housing and community development.

(c) Nothing in this Act shall be construed to deny or limit the benefits of any program, function, or activity assigned to the Department by this or any other Act to any community on the basis of its population or corporate status, except as may be expressly provided by law.

UNDER SECRETARY AND OTHER OFFICERS

SEC. 4. (a) There shall be in the Department an Under Secretary, three Assistant Secretaries, and a General Counsel, who shall be appointed by the President by and with the advice and consent of the Senate, who shall receive compensation at the rate now or hereafter provided by law for under secretaries, assistant secretaries, and general counsels, respectively, of executive departments, and who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time.

(b) There shall be in the Department an Administrative Assistant Secretary, who shall be appointed, with approval of the President, by the Secretary under the classified civil service, who shall perform such functions, powers, and duties as the Secretary shall prescribe from time to time, and whose annual rate of compensation shall be the same as that now or hereafter provided by or pursuant to law for administrative assistant secretaries of executive departments.

TRANSFERS TO DEPARTMENT

SEC. 5. (a) Except as otherwise provided in subsection (b) of this section, there are hereby transferred to and vested in the Secretary all of the functions, powers, and duties of the Housing and Home Finance Agency, of the Federal Housing Administration and the Public Housing Administration in that Agency, and of the heads and other officers and offices of said agencies.

(b) The Federal National Mortgage Association, together with its functions, powers, and duties, is hereby transferred to the Department. The next to the last sentence of section 308 of the Federal National Mortgage Association Charter Act and the item numbered (39) of section 106(a) of the Federal Executive Pay Act of 1956 are hereby repealed, and the position of the President of said Association is hereby allocated among the positions referred to in the proviso of section 7(c) hereof.

CONFORMING AMENDMENTS

SEC. 6. (a) Section 19(d)(1) of title 3 of the United States Code is hereby amended by striking out the period at the end thereof and inserting a comma and the following: "Secretary of Health, Education, and Welfare, Secretary of Housing and Community Development."

(b) Section 158 of the Revised Statutes (5 U.S.C. 1) is amended by adding at the end thereof: "Eleventh. The Department of Housing and Community Development."

(c) The amendment made by subsection (b) of this section shall not be construed to make applicable to the Department any provision of law inconsistent with this Act.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) The personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, or other funds held, used, arising from, or available or to be made available in connection with, the functions, powers, and duties transferred by section 5 of this Act are hereby transferred with such functions, powers, and duties, respectively.

(b) No transfer of functions, powers, and duties shall at any time be made within the Department in connection with the secondary market operations of the Federal National Mortgage Association unless the Secretary finds that the rights and interests of owners of outstanding common stock issued under the Federal National Mortgage Association Charter Act will not be adversely affected thereby.

(c) The Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of such officers and employees, including attorneys, as shall be necessary to carry out the provisions of this Act and to prescribe their authority and duties: *Provided*, That, any other provision of law to the contrary notwithstanding, the Secretary may fix the compensation for not more than six positions in the Department at the annual rate applicable immediately prior to the effective date of this Act to the Commissioners of the constituent agencies and units of the Housing and Home Finance Agency: *Provided further*, That the foregoing proviso shall cease to be controlling upon the establishment of a new rate of compensation for such positions by or pursuant to the provisions of any law hereafter enacted.

(d) The Secretary may delegate any of his functions, powers, and duties to such officers and employees of the Department as he may designate, may authorize such successive redelegations of such functions, powers, and duties as he may deem desirable, and may make such rules and regulations as may be necessary to carry out his functions, powers, and duties. The second proviso of section 101(c) of the Housing Act of 1949 is hereby repealed.

(e) The Secretary may obtain services as authorized by section 15 of the Act of August 2, 1946, at rates not to exceed \$100 per diem for individuals.

(f) The Secretary is authorized to establish a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of such common administrative services as he shall find to be desirable in the interest of economy and efficiency in the Department, including such services as a central supply service for stationery and other supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department and its agencies; central messenger, mail, telephone, and other communications services; procurement and management of office space; central services for document reproduction and for graphics and visual aids; and a central library service. In addition to amounts appropriated to provide capital for said fund, which appropriations are hereby authorized, the fund shall be capitalized by transfer to it of such stocks of supplies and equipment on hand or on order as the Secretary shall direct. Such fund shall be reimbursed from available funds of agencies and offices in the Department for which services are performed at rates which will return in full all expenses of operation, including reserves for accrued annual leave and for depreciation of equipment.

(g) The Secretary shall cause a seal of office to be made for the Department of such device as he shall approve, and judicial notice shall be taken of such seal.

ANNUAL REPORT

SEC. 8. The Secretary shall, as soon as practicable after the end of each calendar year, make a report to the President for submission to the Congress on the activities of the Department during the preceding calendar year.

SAVINGS PROVISIONS

SEC. 9. (a) No suit, action, or other proceeding lawfully commenced by or against the head of any agency or any other officer whose functions are transferred

by the provisions of this Act, in his official capacity or in relation to the discharge of his official duties, or by or against any agency whose functions are transferred by this Act, shall abate by reason of the taking effect of the provisions of this Act, but the court may, on motion or supplemental petition filed at any time within twelve months after such taking effect, showing a necessity for, the survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the Secretary or such other officer or office of the Department as may be appropriate.

(b) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties transferred by this Act shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer or office of the Department as, in accordance with applicable law, may be appropriate. With respect to any function, power, or duty transferred by or under this Act and exercised hereafter, reference in another Federal law to the Housing and Home Finance Agency or to any officer, office, or agency therein, except the Federal National Mortgage Association and its officers, shall be deemed to mean the Secretary. The positions and agencies heretofore established by law in connection with the functions, powers and duties transferred under section 5(a) of this Act shall lapse.

SEPARABILITY

SEC. 10. Notwithstanding any other evidence of the intent of Congress, it is hereby declared to be the intent of Congress that if any provision of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provision of this Act, or the application thereof to the persons and circumstances, directly involved in the controversy in which such judgment shall have been rendered.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

SEC. 11. (a) The provisions of this Act shall take effect upon the expiration of the first period of sixty calendar days following the date on which this Act is approved by the President, or on such earlier date as the President shall specify by executive order published in the Federal Register, except that the President may nominate, and by and with the advice and consent of the Senate may appoint, any of the officers provided for in sections 3(a), 4(a), and 4(b) of this Act at any time after the date this Act is approved by the President.

(b) In the event that one or more officers required by this Act to be appointed by and with the advice and consent of the Senate shall not have entered upon office on the effective date of this Act, the President may designate any person who was an officer of the Housing and Home Finance Agency immediately prior to said effective date to act in such office until the office is filled as provided in this Act or until the expiration of the first period of sixty days following said effective date, whichever shall first occur. While so acting such persons shall receive compensation at the rates provided by this Act for the respective offices in which they act.

SECTION-BY-SECTION SUMMARY

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

SHORT TITLE

Section 1 provides that the act would be cited as the "Department of Housing and Community Development Act."

DECLARATION OF PURPOSE

Section 2 sets forth the purpose of the bill and that the Congress finds that establishment of an executive department is desirable to carry out the purpose. Congress would declare that the general welfare and security of the Nation and the health and living standards of its people require, as a matter of national

purpose, sound development of the Nation's communities in which the vast majority of its people live and work.

To carry out the purpose, Congress would find that establishment of an executive department is desirable to (1) achieve the best administration of the principal programs of the Federal Government which provide assistance for housing and for the development of the Nation's communities; (2) assist the President in achieving maximum coordination of Federal activities which have a major effect upon urban, suburban, or metropolitan community development; (3) encourage the solution of problems of housing and of community development through State, county, town, village, or other local and private action (including promotion of interstate, regional, and metropolitan cooperation); and (4) provide for full consideration, at the national level, of the needs and interests of the Nation's communities and their people.

ESTABLISHMENT OF DEPARTMENT—RESPONSIBILITIES OF THE SECRETARY

Section 3(a) establishes the Department of Housing and Community Development and provides that it would be headed by a Secretary of Housing and Community Development, who would be appointed by the President with Senate confirmation.

The Department would be administered under the supervision and direction of the Secretary. The Secretary would receive compensation at the rate now or hereafter prescribed by law for the heads of executive departments. (At present, sec. 102 of the Federal Executive Pay Act of 1956, 5 U.S.C. 2201, provides that the heads of executive departments shall receive \$25,000 per annum.)

Section 3(b) directs the Secretary, among his other responsibilities, to advise the President with respect to Federal programs and activities relating to housing and community development; to develop and recommend to the President policies for fostering the orderly growth and development of the Nation's communities; exercise leadership at the direction of the President in coordinating Federal activities affecting community development; provide technical assistance and information (including a clearinghouse service) to State, county, town, village, or other local governments in developing solutions to community development problems; encourage comprehensive planning by State and local governments with a view to coordinating Federal, State, and community development activities at the local level; and to conduct continuing studies of housing and community development problems.

Section 3(c) provides that nothing in the bill shall be construed to deny or limit the benefits of any program, function, or activity to any community on the basis of its population or corporate status, except as may be expressly provided by law.

UNDER SECRETARY AND OTHER OFFICERS

Section 4(a) provides that there shall be in the Department an Under Secretary, three Assistant Secretaries, and a General Counsel, all of whom would be appointed by the President and confirmed by the Senate. These officers would perform the functions, powers, and duties prescribed by the Secretary. They would receive the same compensation as the Under Secretaries, Assistant Secretaries, and General Counsels of other departments. (At present, sec. 104 of the Federal Executive Pay Act of 1956, 5 U.S.C. 2203, provides that Under Secretaries receive \$21,000 per annum, and sec. 106 of that act, 5 U.S.C. 2205, provides that Assistant Secretaries and General Counsels receive \$20,000 per annum.)

Section 4(b) provides that there shall be in the Department an Administrative Assistant Secretary who would be appointed by the Secretary with the approval of the President. The Administrative Assistant Secretary would receive the same compensation as is provided by or pursuant to law for Administrative Assistant Secretaries of executive departments (\$19,000 per annum). He would perform the functions, powers, and duties prescribed by the Secretary.

TRANSFERS TO DEPARTMENT

Section 5(a) transfers to the Secretary all the functions, powers, and duties of the Housing and Home Finance Agency, the Federal Housing Administration, and the Public Housing Administration, and the functions, powers, and duties of the heads and other officers and offices of those agencies.

Section 5(b) transfers the Federal National Mortgage Association, together with its functions, powers, and duties, to the Department. The Secretary of the Department would be vested with the functions, powers, and duties of the

Housing and Home Finance Administrator with regard to FNMA. The Secretary would, therefore, become the Chairman of the Board of Directors of FNMA. FNMA would be an entity within the Department, and the rights and interests of the owners of outstanding common stock issued under the FNMA Charter Act would not be affected by the transfer.

Language in sections 308 of the FNMA Charter Act (12 U.S.C. 1723) and 106(a) of the Federal Executive Pay Act of 1956 (5 U.S.C. 2205) would be repealed which provides that the President of FNMA is to receive compensation at the rate established for the heads of the constituents of the Housing and Home Finance Agency, would be repealed. Under the provisions of section 7(c) of the bill, the President of FNMA could receive the same salary as he presently receives of \$20,000 per annum.

CONFORMING AMENDMENTS

Section 6(a) would amend section 19(d)(1) of title 3 of the United States Code to place both the Secretary of Health, Education, and Welfare, and the Secretary of Housing and Community Development in the line of succession to the Office of President of the United States. They would be eligible to act as President only if the Vice President, Speaker of the House, President pro tempore of the Senate, and the heads of other executive departments having precedence over them by law are unable to serve as President.

Section 6(b) and 6(c) are technical provisions which would extend to the new Department the provisions of title IV of the Revised Statutes, except to the extent inconsistent with the bill. Those provisions deal with such matters as departmental vacancies, regulations, duties of clerks, details and employment of personnel, oaths, subpoenas, and witness fees.

ADMINISTRATIVE PROVISIONS

Section 7(a) provides that all the personnel, liabilities, and resources, including funds, property, and records available in connection with the functions transferred by section 5 to the Department are transferred with the respective functions.

Section 7(b) provides that no transfers of functions may be made within the Department with respect to the secondary market operations of the Federal National Mortgage Association unless the Secretary finds such transfers would not adversely affect the rights and interests of the owners of FNMA common stock.

Section 7 (c) and (d) would authorize the Secretary to appoint and fix the compensation of Department personnel and prescribe their duties. The law applicable to the Federal civil service would apply to employees of the Department. The Secretary further would be authorized to fix the compensation for not more than six positions at the annual rate now being paid to the Commissioners of the constituent agencies and units of the Housing and Home Finance Agency. The compensation for the six positions could be changed upon the establishment of a new rate of compensation for the positions by or pursuant to the provisions of any law enacted after enactment of the bill.

Section 7(d) permits the Secretary to delegate any of his functions to such officers and employees of the Department as he may designate and to authorize successive redelegations of functions he has delegated. The Secretary is also authorized to prescribe necessary rules and regulations. This subsection also repeals a portion of section 101(c) of the Housing Act of 1949, as amended, (42 U.S.C. 1451(c)), so that the Secretary could delegate or redelegate authority to (1) approve the workable program of a locality for dealing with its overall problems of slum and blight, (2) certify that Federal assistance to urban renewal work enumerated under section 101(c) may be made available to a community, and (3) determine that the relocation requirements of section 105(c) of the Housing Act of 1949 have been met.

Section 7(e) authorizes the Secretary to obtain the services of experts and consultants at rates not to exceed \$100 per diem for individuals.

Section 7(f) authorizes the Secretary to establish a working capital fund, similar to those in other departments, for operating various common administrative services in the Department such as supply, messenger, mail, telephone, space, library, and reproduction services. The revolving fund would be financed through appropriations and charges against the agencies and offices in the Department for which services are performed.

Section 7(g) directs the Secretary to have a Department seal made and provides for judicial notice of the seal.

ANNUAL REPORT

Section 8 requires the Secretary to make an annual report to the President for submission to the Congress on the activities of the Department during the preceding calendar year.

SAVINGS PROVISIONS

Section 9(a) provides that any pending litigation or other proceeding by or against any agency or officer whose functions are transferred by the bill would not abate by reason of the new act, and also provides for appropriate substitution of successor parties.

Section 9(b) provides that, except as expressly provided in the bill, all powers and authorities otherwise existing would not be affected by the bill. All rules, regulations, and orders issued under applicable law prior to the effective date of the bill would continue in effect unless modified or rescinded by the Secretary or other legally authorized officer or office of the Department. References in other Federal laws to the Housing and Home Finance Agency, or to any officers, office, or agency therein, except the FNMA and its officers, would be deemed to mean the Secretary. This subsection also provides that the positions and agencies (HHFA, FHA, and PHA, and their heads and officers) transferred under section 5(a) of the bill would lapse.

SEPARABILITY

Section 10 provides a standard separability clause.

EFFECTIVE DATE AND INTERIM APPOINTMENTS

Section 11(a) provides that the act would take effect 60 days from the date of its approval, or on such earlier date as the President may specify. However, in the interim, and any time after approval of the act, the President could nominate and the Senate could confirm the Department's officers. Such officers would not enter on duty until the act takes effect generally.

Section 11(b) makes provision for designation by the President of interim officers, as may be necessary, for a 60-day period immediately after the effective date of the act.

A BILL To authorize the Veterans' Administration to extend aid on account of defects in properties purchased with financing assistance under chapter 37, title 38, United States Code

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Chapter 37 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 1826. Expenditures to correct or compensate for substantial defects in mortgaged homes

"(a) The Administrator is authorized, with respect to any property improved by a one- to four-family dwelling inspected during construction by the Veterans' Administration or the Federal Housing Administration which he finds to have structural or other major defects affecting the livability of the property, to make expenditures for (1) correcting such defects; (2) paying the claims of the owner of the property arising from such defects; or (3) acquiring title to the property. Such authority of the Administrator shall exist only with respect to property under a mortgage loan made, guaranteed, or insured under this chapter after or not more than three years prior to the effective date of this section and only if the owner of the property has filed application for assistance under this section not later than four years (or such shorter time as the Administrator may prescribe) after the mortgage loan was made, guaranteed, or insured.

"(b) The Administrator shall by regulation prescribe the terms and conditions under which expenditures and payments may be made under the provisions of this section, and his decisions regarding such expenditures or payments, and the conditions under which the same are approved or disapproved, shall be final and conclusive.

"(c) The Administrator is authorized to make expenditures for the purposes of this section from the Funds established pursuant to sections 1823 and 1824 of this title, as applicable."

(b) The analysis of chapter 37 of title 38, United States Code, is amended by adding at the end thereof the following:

"§ 1826. Expenditures to correct or compensate for substantial defects in mortgaged homes"

ANALYSIS OF BILL TO AUTHORIZE RELIEF BY VA TO HOMEOWNERS ON ACCOUNT OF MAJOR DEFECTS IN GI FINANCED PROPERTIES

This bill would add a new section 1826 to chapter 37 of title 38, United States Code, relating to mortgage loan assistance to veterans. It would authorize the Veterans' Administration to extend aid to distressed homeowners who, after relying upon VA or FHA construction standards and inspections, find structural or other major defects in their properties purchased with GI mortgage loans which affect their livability. The authority would be available for homes purchased under mortgages made, guaranteed, or insured by VA not more than three years prior to the enactment of the new section as well as for homes purchased with such financing after enactment. However, the homeowners would be required to file application for assistance not later than four years after the guaranteed mortgage loan or the direct loan was made. In this discretion the Administrator could prescribe a shorter period for filing claim.

This authorization would permit the Administrator to furnish the assistance by (1) correcting the major defects involved, (2) paying the claims of the owner arising from the defects, or (3) acquiring title to the property.

Although the cases covered by this new authority would be few in number, there are some situations in which faulty inspections during construction or judgment mistakes result in serious deficiencies affecting the basic livability of the property. In most instances builders can be persuaded to correct deficiencies, and this is usually the method of dealing with the problem. However, the proposed authority would enable VA to provide relief in situations where the builder no longer is in existence, has no assets, or refuses to cooperate. It would also enable VA to deal with situations in which the defects are not strictly of a structural nature but arose from causes such as landslide, land subsidence, or failure of septic tanks to function, making the properties uninhabitable or unfit for occupancy.

In a typical case of this kind, the Veterans' Administration is liable on its guarantee to the holder of the loan covering the property and is required to pay the amount of the guarantee to the loan holder when the homeowner defaults and foreclosure occurs. There is no reduction in the amount of the guarantee liability because of the major defects in the property. Thus, the VA may have to absorb the loss in the value of the property due to such defects.

The determinations and decisions of the Administrator in the exercise of this authority, which provides essentially for a voluntary benefit payment by the Government, would be final and conclusive, as specified in the bill. The bill would lodge in the Administrator broad authority to prescribe the terms and conditions for granting relief, and this discretionary authority would be exercised to deal with severe cases presenting exceptional equities in favor of the homeowner.

SECTION-BY-SECTION ANALYSIS OF BILL RELATING TO SALE OF PARTICIPATIONS IN POOL OF FNMA AND VA MORTGAGES

GENERAL

The bill would authorize the Federal National Mortgage Association to act in a fiduciary or other representative capacity in order to facilitate the financing of its own and other mortgages.

Under its present corporate charter FNMA is empowered to borrow, through the issuance of obligations, to finance its acquisitions of mortgages. The bill would amend the corporate charter to provide a useful supplementary financing and sales device: The corporation, in a fiduciary capacity, could sell beneficial interests or participations in its own and other mortgages in which the United States or any agency or instrumentality thereof has a financial interest. For example, the bill expressly contemplates that some of the mortgages held by the Veterans' Administration may be financed in this manner through the FNMA. The bill would permit the substitution of funds of private investors for Government funds that are now invested in mortgages in portfolios held for the account of the Government.

Section 1 of the bill would add to section 302 of the FNMA Charter Act a new subsection (c) which would vest FNMA with fiduciary powers, under its management and liquidating functions (sec. 306). Under such powers the corporation could sell beneficial interests or participations in respect to mortgages or interests therein. Included would be mortgages in which the United States or its agencies or instrumentalities have a financial interest. FNMA, in its ordinary corporate

capacity under its management and liquidating functions, would be authorized to guarantee any participations or other instruments, whether evidence of property rights or debt, issued under the fiduciary powers, and such instruments would be exempted from the SEC laws.

Section 2(a) would amend section 311 of the FNMA Charter Act to include the types of instruments issued by FNMA in a fiduciary capacity within the definition of legal investments therein set forth. Subsections (b) and (c) would make conforming amendments to sections 304, 306, and 310 of the same act.

Section 3 would amend section 5136 of the Revised Statutes to exclude instruments issued by FNMA in a fiduciary capacity from the limitations imposed by Federal banking laws. As a result, national and other affected banks would be able to deal in, underwrite, and purchase for their own account participations and other instruments issued by FNMA in a fiduciary capacity, as they may now do with respect to FNMA obligations.

Section 4 would amend subsection (h) of section 11, and section 16, of the Federal Home Loan Bank Act to permit investment of surplus and reserve funds of Federal home loan banks in instruments issued by FNMA in its fiduciary capacity. Obligations of FNMA are already permissible investments for such funds.

Section 5 would amend section 5 of the Home Owners' Loan Act of 1933 to permit the investment of Federal savings and loan associations' assets in instruments issued by FNMA in its fiduciary capacity. Obligations of FNMA are already permissible investments.

Section 6(a) would amend pertinent provisions of chapter 37, title 38, United States Code, dealing with the GI loan program administered by the Veterans' Administration, so as to provide authority for the Veterans' Administration to join in the financing arrangements authorized by the bill. It would also provide for disposition of the proceeds received by VA from the sale of participations. The ownership of VA's mortgages, as well as the servicing and management of such mortgages, would remain in the VA unless there is a default as to the related participations.

Subsection (b) would amend section 1823 of title 38, United States Code, so as to make it clear that the time limit imposed by that section for return to the Treasury of all sums in the direct loan revolving fund upon completion of the direct loan program will not prevent maintenance of a reasonable reserve for meeting commitments arising out of the new financing arrangements contemplated by the bill. This is a technical amendment which is necessary for effective implementation of the basic provisions of the bill, as they apply to the direct loan program administered by the Veterans' Administration.

[Bill relating to sale of participations in pool of FNMA and VA Mortgages]

A BILL To vest the Federal National Mortgage Association with fiduciary powers to facilitate the financing of its own and other mortgages, to provide for sales of and investments in beneficial interests or participations in such mortgages, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 302 of the Federal National Mortgage Association Charter Act is amended by adding thereto subsection (c) to read as follows:

“(c) Notwithstanding the provisions of this Act or of any other law, the Association is authorized (under section 306) to create, accept, execute, and otherwise administer in all respects such trusts, receiverships, conservatorships, liquidating or other agencies, or other fiduciary and representative undertakings and activities as might be appropriate for financing purposes; and in relation thereto the Association may acquire, hold and manage, dispose of, and otherwise deal in any mortgages in which the United States or any agency or instrumentality thereof may have a financial interest. The Association may join in any such undertakings and activities notwithstanding that it is also serving in a fiduciary or representative capacity; and is authorized, consistent with section 307, to guarantee any participations or other instruments, whether evidence of property rights or debt, issued for such financing purposes. Any participations or other instruments so guaranteed shall to the same extent as securities issued or guaranteed by the United States or its instrumentalities be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission. The amounts of any mortgages acquired by the Association

under section 306, pursuant to this subsection, shall not be included in the total amounts set forth in section 306(c)."

SEC. 2. (a) Section 311 of the Federal National Mortgage Association Charter Act is amended by inserting after the word "obligations" a comma and the following: "participations, or other instruments."

(b) Sections 304(b) and 306(b), respectively, of such Act are amended by striking "or obligations which are lawful investments" and by substituting therefor "or obligations, participations, or other instruments which are lawful investments."

(c) Section 310 of such Act is amended by striking "or in obligations which are lawful investments" and by substituting therefor "or in obligations, participations, or other instruments which are lawful investments."

SEC. 3. The penultimate sentence of paragraph Seventh of section 5136 of the Revised Statutes, as amended, is hereby amended by striking "or obligations of the Federal National Mortgage Association" and inserting "or obligations, participations, or other instruments of or issued by the Federal National Mortgage Association."

SEC. 4. Subsection (h) of section 11 of the Federal Home Loan Bank Act, as amended, is hereby amended by striking "in obligations of the Federal National Mortgage Association" and inserting "in obligations, participations, or other instruments of or issued by the Federal National Mortgage Association." The last sentence of section 16 of such Act is amended by striking "in obligations of the Federal National Mortgage Association" and inserting "in obligations, participations, or other instruments of or issued by the Federal National Mortgage Association."

SEC. 5. The first paragraph of subsection (c) of section 5 of the Home Owners' Loan Act of 1933, as amended, is hereby amended by striking "or in the obligations of the Federal National Mortgage Association" and inserting "or in obligations, participations, or other instruments of or issued by the Federal National Mortgage Association."

SEC. 6. (a) Section 1820 of title 38, United States Code, is amended by adding thereto the following new subsection:

"(e)(1) The Administrator is authorized from time to time, as he determines advisable, to set aside mortgage loans, including installment sale contracts, owned and held by him under this chapter as the basis for the sale of participation certificates as herein provided. For this purpose the Administrator may enter into agreements, including trust agreements, with Federal National Mortgage Association, and any other Federal agency, under which the Association as fiduciary may sell certificates of participation based on principal and interest collections to be received by the Administrator and the Association or any other such agency on mortgage loans and installment sale contracts comprising mortgage pools established by them. The agreement may provide for substitution or withdrawal of mortgage loans, or installment sale contracts, or for substitution of cash for mortgages in the pool. The agreement shall provide that Federal National Mortgage Association shall promptly pay to the Administrator the entire proceeds of any sale of certificates of participation to the extent such certificates are based on mortgages, including installment sale contracts, set aside by the Administrator and he shall periodically pay to the Association, as fiduciary, such funds as are required for payment of interest and principal due on outstanding certificates of participation to the extent of the pro rata amount allocated to the Administrator pursuant to the agreement. The agreement shall also provide that the Administrator shall retain ownership of mortgage loans and installment sale contracts set aside by him pursuant to the agreement unless transfer of ownership to the fiduciary is required in the event of default or probable default in the payment of participation certificates. The Administrator is authorized to purchase outstanding certificates of participation to the extent of the amount of his commitment to the fiduciary on participations outstanding and to pay his proper share of the costs and expenses incurred by Federal National Mortgage Association as fiduciary pursuant to the agreement.

"(2) The Administrator shall proportionately allocate and deposit the entire proceeds received from the sale of participations into the Funds established pursuant to sections 1823 and 1824 of this chapter, as determined on an estimated basis, and the amounts so deposited shall be available for the purposes of the Funds. The Administrator may nevertheless make such allocations of that part of the proceeds of participation sales representing anticipated interest collections on mortgage loans, including installment sale

contracts, on other than an estimated proportionate basis if determined necessary to assure payment of interest on advances theretofore made to the Administrator by the Secretary of the Treasury for direct loan purposes. The Administrator shall set aside and maintain necessary reserves in the Funds established pursuant to sections 1823 and 1824 of this chapter to be used for meeting commitments pursuant to this subsection and, as he determines to be necessary, for meeting interest payments on advances by the Secretary of the Treasury for direct loan purposes."

(b) Section 1823 of title 38, United States Code, is amended by—

(1) inserting before the period at the end of the last sentence of subsection (a) the following: ", and a reasonable reserve for meeting commitments pursuant to subsection 1820(e) of this title", and

(2) inserting before the period at the end of the last sentence of subsection (c) the following: "and for the purposes of meeting commitments under subsection 1820(e) of this title".

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1964

TITLE I—NEW AIDS FOR DISPLACED FAMILIES AND BUSINESSES, AND ELDERLY IN URBAN RENEWAL AREAS

- Sec. 101. Relocation Payments to Displaced Persons and Businesses
- Sec. 102. Rehabilitation Assistance to Elderly Homeowners in Urban Renewal Areas

TITLE II—MORTGAGE INSURANCE PROGRAMS

- Sec. 201. Land Development
- Sec. 202. Conforming Amendments
- Sec. 203. Additional Relief for Home Mortgagors in Default Due to Circumstances Beyond Their Control
- Sec. 204. Correction of Substantial Defects in Mortgaged Homes
- Sec. 205. Home Improvement Loans Outside of Urban Renewal Areas
- Sec. 206. Mortgage Limits for Homes

TITLE III—URBAN RENEWAL AND GROWTH

- Sec. 301. Loan Contract for Two or More Projects
- Sec. 302. General Neighborhood Renewal Plans
- Sec. 303. Increased Capital Grants for Redevelopment Areas
- Sec. 304. Capital Grant Authorization
- Sec. 305. Feasible Method for Relocation of Individuals
- Sec. 306. Disposal of Land for Low- and Moderate-Income Housing
- Sec. 307. Increase Nonresidential Exception
- Sec. 308. Amendment of Definition of "Going Federal Rate"
- Sec. 309. Urban Renewal Demonstration Program
- Sec. 310. Urban and Regional Planning Grants
- Sec. 311. Planning Grant Authorization
- Sec. 312. Planning Grants for New Communities
- Sec. 313. Planning Grants for Indian Reservations

TITLE IV—HOUSING FOR LOW-INCOME FAMILIES

- Sec. 401. Eligibility of Displaced Individuals
- Sec. 402. Additional Subsidy for Urban Renewal and Low-Rent Housing Displacees
- Sec. 403. Certification of Equivalent Elimination
- Sec. 404. Acquisition and Lease of Existing Housing
- Sec. 405. Increase in Authorization for Annual Contributions
- Sec. 406. Relocation of Families and Individuals Displaced from Project Sites
- Sec. 407. Relocation Payments
- Sec. 408. Low-Income Housing Demonstration Program Authorization

TITLE V—RURAL HOUSING LOANS AND GRANTS

- Sec. 501. Extension of Senior Citizens Rental Housing
- Sec. 502. Insured Rural Housing Loans
- Sec. 503. FNMA Secondary Market Operations for Rural Housing Insured Loans
- Sec. 504. Loans and Grants to Domestic Farm Laborers for Essential Dwelling Repairs
- Sec. 505. Definition of Domestic Farm Labor
- Sec. 506. Low-Rent Housing for Domestic Farm Labor
- Sec. 507. Conforming Amendments

TITLE VI—COMMUNITY FACILITIES

- Sec. 601. Public Facility Loans
- Sec. 602. Advance Acquisition of Land
- Sec. 603. Growth Capacity Loans
- Sec. 604. Advances for Public Works Planning

TITLE VII—FEDERAL-STATE TRAINING PROGRAMS

- Sec. 701. Findings and Purpose
- Sec. 702. Matching Grants to States
- Sec. 703. Allotment and Payment
- Sec. 704. Technical Assistance, Studies, and Publication of Information
- Sec. 705. Miscellaneous

TITLE VIII—MORTGAGE INSURANCE PROCEDURAL AMENDMENTS

- Sec. 801. Time Limit on FHA Recoupment of Title I Insurance Payments
- Sec. 802. Optional Cash Payment of Insurance Benefits
- Sec. 803. Changes in FHA Insurance Benefits and Simplification of Payment Procedures
- Sec. 804. Rehabilitation in Urban Renewal Areas
- Sec. 805. FHA Section 221 Housing for Low- or Moderate-Income Elderly Persons
- Sec. 806. Mortgage Insurance for Servicemen
- Sec. 807. Private Financing of Sale of FHA-Acquired Properties
- Sec. 808. Mortgage Insurance for Condominiums
- Sec. 809. Transfer of Funds

TITLE IX—MISCELLANEOUS

- Sec. 901. FNMA—Removal of \$20,000 Mortgage Amount Limitation
- Sec. 902. FNMA—Ninety Percent Loans
- Sec. 903. FNMA—Purchase of Participations
- Sec. 904. Open-Space Program—Grant Authorization
- Sec. 905. Housing for the Elderly—Loan Authorization

[88th Cong., 2d sess.]

A BILL To help provide adequate dwelling accommodations for more families who have low or moderate incomes, who are elderly, or who are subjected to the special problems of displacement from their homes by Government action; to promote orderly community development and growth; and to extend and amend laws relating to housing, urban renewal, and community facilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing and Community Development Act of 1964".

TITLE I—NEW AIDS FOR DISPLACED FAMILIES AND BUSINESSES,
AND ELDERLY IN URBAN RENEWAL AREAS

RELOCATION PAYMENTS TO DISPLACED PERSONS AND BUSINESSES

SEC. 101. (a) Title I of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"RELOCATION

"SEC. 114. (a) Notwithstanding any other provision of this title, an urban renewal project may include the making of payments as prescribed in this section to displaced families, individuals, business concerns and nonprofit organizations; and any contract for financial assistance under this title shall provide that the capital grant otherwise payable for the project shall be increased by an amount equal to such payments and that no part of the amount of such payments shall be required to be contributed as part of the local grant-in-aid. As used in this section, "displaced" refers to displacement from an urban renewal area made necessary by (i) the acquisition of real property by a local public agency or by any other public body, (ii) code enforcement activities undertaken in connection with an urban renewal project, or (iii) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan.

"(b) A local public agency may pay the following to any displaced business concern or nonprofit organization:

"(1) its reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): *Provided*, That such payments shall not exceed \$3,000 (or if greater, the total certified actual moving expenses); and

"(2) additional amounts of (i) \$1,000 upon displacement of a private business concern, and (ii) \$1,500 if such concern has not been reestablished within one year following displacement and has not received any relocation payment under clause (1) of this subsection: *Provided*, That payments may be made under this clause (2) only to a business concern with average annual earnings of less than \$10,000 per year and which (i) was doing business in a location in the urban renewal area on the date of local approval of the urban renewal plan, (ii) is displaced on or after January 27, 1964, and (iii) is not part of an enterprise having establishments outside the urban renewal area.

"(c) (i) A local public agency may pay to any displaced individual or family its reasonable and necessary moving expenses and any actual direct losses of property (which are incurred on and after August 7, 1956, and for which reim-

bursement or compensation is not otherwise made): *Provided*, That such payments shall not exceed \$200; *And provided further*, That the Administrator may authorize payment to individuals and families of fixed amounts (not to exceed \$200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property; and

"(ii) A local public agency may pay (in addition to any amount under (i)) to any displaced family, or to any displaced individual 62 years of age or over, a monthly payment, for not to exceed 24 months, equal to one-twelfth of the amount which, when added to 20 percent of the annual income of such displaced individual or family at the time of its displacement, equals the average annual rental required for a decent, safe and sanitary dwelling of modest standards adequate in size to accommodate the displaced individual or family (in the urban renewal area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities): *Provided*, That this monthly payment shall be available only to such individual or family who is displaced on or after January 27, 1964, and whose income is below the limits established to determine eligibility for admission to housing constructed or to be constructed in the locality under the provisions of section 221(d)(3) of the National Housing Act, and such payment shall not exceed the estimated proportionate amount, attributable to a dwelling unit of comparable size and type, of the fixed annual contribution for the most recently constructed low-rent housing project assisted under the United States Housing Act of 1937 in the same locality or the nearest locality of comparable size and in which there exists comparable cost levels: *Provided further*, That such payment shall be made only to such individual or family who is unable to secure a dwelling unit in a low-rent housing project assisted under the United States Housing Act of 1937 or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act.

"(d) The Administrator is authorized to establish such rules and regulations as he may deem appropriate in carrying out the provisions of this section. Except as may be provided in any contract between the Administrator and a local public agency, or in regulations promulgated by the Administrator, determinations of any duly designated officer or agency as to eligibility for and the amount of relocation assistance authorized by this section shall be final and conclusive for any purposes and not subject to review by any court or any other officer.

"(e) If a family or individual receiving payments under subsection (c)(ii) of this section is a displaced family or individual for the purposes of any priority or preference in admission to housing assisted under the United States Housing Act of 1937 or section 221 of the National Housing Act, the individual or family, if otherwise eligible for admission to such housing, shall retain such priority or preference at the end of the period for which such payments are made."

(b) Any contract with a local public agency which was executed under this title before the date of enactment of this Act may be amended to provide for payments authorized by this section.

(c) Section 106 of the Housing Act of 1949 is amended by striking out all of subsection (f) and redesignating subsection (g) as subsection (f).

REHABILITATION ASSISTANCE TO ELDERLY HOMEOWNERS IN URBAN RENEWAL AREAS

SEC. 102. (a) Section 220(h) of the National Housing Act is amended by adding the following at the end thereof:

"(11) (A) To assist further in the improvement of the homes of elderly persons of low or moderate incomes in urban renewal areas and to avoid their displacement when their homes can be improved to meet standards prescribed for the area by the urban renewal plan, a home improvement loan bearing interest at the same rate prescribed by the Commissioner for those mortgages which are insured under section 221(d)(3) on the basis of determinations made by the Secretary of the Treasury pursuant to the proviso in section 221(d)(5), may be insured under this subsection if—

"(i) the borrower is 62 years of age or over and qualifies as a low- or moderate-income person or family in accordance with such regulations and requirements as may be prescribed by the Commissioner;

"(ii) the property, when improved with the proceeds of the loan, will meet the standards prescribed for the area by the urban renewal plan;

"(iii) the property to be improved is a one- or two-family home owned and occupied by the borrower; and

"(iv) the instrument evidencing the obligation of the loan contains such provisions as may be prescribed by the Commissioner, including provisions that any outstanding balance of the loan shall become due and payable upon the transfer of title to the property by the borrower or in event of death of the borrower (or the death of the surviving spouse of the borrower).

"(B) Notwithstanding any other provisions of this Act, the instrument evidencing the obligation of a loan insured under this paragraph may permit repayment of the principal amount of the loan to be deferred until the death of the borrower (or the death of the surviving spouse of the borrower) or the transfer of title to the property by the borrower, if the amount of the loan creates a total outstanding indebtedness which does not exceed 75 per centum of the sum of the estimated cost of improvement and the Commissioner's estimate of the value of the property before improvement.

"(C) Notwithstanding any other provision of this Act, a home improvement loan insured pursuant to this paragraph may be insured with no premium charge, with a reduced premium charge, or with a premium charge for such period or periods during the time the insurance is in effect as the Commissioner may determine. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to reimburse the section 220 home improvement account for any net losses in connection with insurance under this paragraph."

(b) Section 220(d)(3)(A) is amended by adding the following clause at the end thereof:

"(v) in a case of a mortgagor who is 62 years of age or over, who occupies a one- or two-family home, and who qualifies as a low- or moderate-income person in accordance with such regulations and requirements as may be prescribed by the Commissioner, the Commissioner may insure a mortgage, involving substantial repair or rehabilitation, and refinancing, bearing interest at the same rate as prescribed by the Commissioner for those mortgages which are insured under section 221(d)(3) on the basis of determinations made by the Secretary of the Treasury pursuant to the proviso in section 221(d)(5), and which involves a principal obligation not in excess of \$10,000: *Provided*, That the mortgage contains a provision that any outstanding balance of the loan shall become due and payable upon transfer of title to the property by the mortgagor or in the event of death of the mortgagor (or the death of the surviving spouse of the mortgagor): *Provided further*, That if the mortgage to be insured does not exceed 75 per centum of the sum of the estimated cost of the repair and rehabilitation and the Commissioner's estimate of the value of the property before such repair and rehabilitation, the mortgage may provide that repayments to amortize the principal amount may be deferred until the death of the mortgagor (or the death of the surviving spouse of the mortgagor) or the transfer of the property: *And provided further*, That notwithstanding any other provisions of this Act, a mortgage may be insured pursuant to this clause with no premium charge, with a reduced premium charge, or with a premium charge for such period or periods during the time the insurance is in effect, as the Commissioner may determine; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to reimburse the section 220 Housing Insurance Fund for any net losses in connection with insurance under this clause; or".

TITLE II—MORTGAGE INSURANCE PROGRAMS

LAND DEVELOPMENT

SEC. 201. The National Housing Act is amended by adding at the end thereof the following new title:

"TITLE X—MORTGAGE INSURANCE FOR LAND DEVELOPMENT

"PURPOSE

"SEC. 1001. The purpose of this title is (1) to assist in the provision of sites for residential and related uses which are properly planned and improved to provide a suitable living environment, maintain property values, and contribute to sound and economic community growth, and (2) to encourage more orderly urban growth and development through assistance in the establishment of new communities which are so situated and planned as to permit the most efficient use of public facilities, provide a basis for well-balanced economic development,

conserve land resources, and meet the housing and related needs of families with varying incomes and personal requirements.

"DEFINITIONS

"SEC. 1002. As used in this title—

"(1) the term 'mortgage' means a lien on real estate in fee simple, or on a leasehold under a lease for not less than ninety-nine years which is renewable; and the term 'first mortgage' includes such classes of first liens as are commonly given to secure advances (including but not limited to advances during construction) on, or the unpaid purchase price of, real estate under the laws of the State in which the real estate is located, together with the credit instrument or instruments, if any, secured thereby and may be in the form of trust mortgages or mortgage indentures or deeds of trust securing notes, bonds, or other credit instruments;

"(2) the terms 'mortgagee', 'mortgagor', and 'State' shall have the same meaning as when used in section 207 of this Act;

"(3) the term 'improvements' means water lines and water supply installations, sewer lines and sewage disposal installations, roads, streets, curbs, gutters, sidewalks, storm drainage facilities, and other installations or work, whether on or off the site of the mortgaged property, which the Commissioner deems necessary or desirable to prepare land primarily for residential and related uses or to provide community structures or other similar facilities for public or common use;

"(4) the term 'basic community systems improvements' means major transmission lines and related plants for water or sewer systems serving new communities;

"(5) the term 'land development' means the process of making, installing, or constructing improvements, including basic community systems improvements;

"(6) the term 'new community' means a locality so established and planned as to provide, on a balanced and internally cohesive basis, the housing, facilities, services, and amenities suitable and appropriate for urban living;

"(7) the term 'local public body' means a county, city, or other political subdivision within which a new community or part of a new community is established, and any other political subdivision, public agency, or instrumentality of one or more States, counties, or political subdivisions empowered under law to take or withhold any action required in connection with the establishment of a new community.

"BASIC CONDITIONS FOR INSURANCE

"SEC. 1003. (a) The Commissioner is authorized to insure, upon such terms and conditions as he may prescribe, any first mortgage (including advances on such mortgage during land development) in accordance with the provisions of this title and to make commitments for the insurance of such mortgage prior to the date of its execution or disbursement thereon; but no mortgage shall be insured under this title after October 1, 1968, except pursuant to a commitment to insure issued before such date.

"(b) To be eligible for mortgage insurance under this title a mortgage shall—

"(1) be executed by, and cover property held by, a mortgagor approved by the Commissioner;

"(2) be made to and be held by a mortgagee approved by the Commissioner;

"(3) cover the land developed and the improvements made with the assistance of the mortgage insurance unless they are in public ownership;

"(4) have a maturity and contain repayment provisions satisfactory to the Commissioner;

"(5) bear interest (exclusive of premium charges for mortgage insurance and such service charges and fees as may be approved by the Commissioner) at a rate satisfactory to the Commissioner, but not to exceed 6 per centum per annum on the amount of the principal obligation outstanding at any time; and

"(6) contain such terms and provisions with respect to protection of the security, payment of taxes, delinquency charges, prepayment, additional and secondary liens, and other matters as the Commissioner may in his discretion prescribe.

"(c) The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage on such terms and conditions as he may prescribe.

"(d) The Commissioner may, under such terms and conditions as he may prescribe, consent to the subordination of the lien of the mortgage insured under this title to the lien of a mortgage upon a part or parts of the mortgaged property where the subordination is necessary to obtain financing for construction of a dwelling or dwellings for which application for insurance of permanent financing under any other title of this Act has been made.

"(e) In order for any mortgage to be accepted for insurance under this title—

"(1) the property or project shall represent an acceptable risk to the Land Development Insurance Fund, as established by section 1008 of this title, giving consideration to the expected contribution of the land development to sound and economic community growth and urban development;

"(2) the improvements shall comply with all applicable State and local governmental requirements and with minimum standards approved by the Commissioner;

"(3) the land development shall be in accordance with a plan or plans consistent with a comprehensive plan which covers, or with comprehensive planning being carried on for, the area in which the land is situated and which meets criteria established by the Housing and Home Finance Administrator for such comprehensive plans or planning;

"(4) the land development shall be undertaken and carried on with a view to assuring, under such requirements and procedures as the Commissioner shall prescribe, the use of such land for the purposes for which it is to be developed within the shortest reasonable period consistent with the objectives of sound and economic community growth or urban development; and

"(5) the land developed or new community shall be served by public systems for water supply and sewerage consistent with other existing or prospective systems in the area: *Provided*, That if the Commissioner finds that a public system for water or sewerage is not feasible, he may, under such assurances and conditions as he may require with respect to eventual public ownership and operation, approve an adequate privately or cooperatively owned system regulated in a manner acceptable to the Commissioner with respect to user rates and charges, capital structure, methods of operation, and rate of return.

"SPECIAL CONDITIONS—NEW COMMUNITIES

"SEC. 1004. In the case of land development in connection with the establishment of a new community, a mortgage may be insured only if it is otherwise eligible and acceptable for insurance under section 1003 of this title and only subject to the following conditions:

"(1) the mortgage shall involve a principal obligation in an amount (A) in the case of basic community systems improvements, not to exceed the sum of 75 per centum of the estimated value of the land before land development, and 90 per centum of the estimated cost of land development, as such land and land development are required by or attributable to such improvements, or (B) in the case of other land development, not to exceed 75 per centum of the estimated value of the security as of the completion of the development to be financed with assistance under this title, and not to exceed the sum of 75 per centum of the estimated value of the land before land development and 75 per centum of the estimated cost of such land development: *Provided*, That the aggregate of principal obligations of mortgages insured under this title with respect to any one new community shall not exceed \$50,000,000;

"(2) the new community site shall have been approved by the appropriate local public body or bodies, in accordance with procedures acceptable to the Housing and Home Finance Administrator;

"(3) the land development shall be in accordance with a detailed plan which has been approved by the Housing and Home Finance Administrator as providing reasonable assurance that the new community will be planned (i) to meet the housing and related needs of families with varying incomes and personal requirements, including lower income and elderly families, (ii) to establish sound land-use patterns, (iii) to encourage the most efficient use of transportation and other areawide facilities and the provision of a level of municipal or public services adequate to meet immediate and rea-

sonably foreseeable community needs, and (iv) to promote employment opportunities and future economic growth in the community and urban area in which it is situated; and

"(4) the land development shall be consistent with such assurances as the Commissioner may require as to actions to be taken by local public bodies in order to permit the implementation of the new community plan.

"SPECIAL CONDITIONS—SUBDIVISIONS

"SEC. 1005. In the case of land development that is not in connection with a new community, a mortgage may be insured only if it is otherwise eligible and acceptable for insurance under section 1003 of this title and only subject to the following conditions:

"(1) the mortgage shall involve a principal obligation in an amount (A) not to exceed \$2,500,000, (B) not to exceed 75 per centum of the estimated value of the security as of the completion of the development to be financed with assistance under this title, and (C) not to exceed the sum of 50 per centum of the estimated value of the land before development and 90 per centum of the estimated cost of such development; and

"(2) the land development shall be in accordance with a plan providing reasonable assurance that the land will be part of a well-planned residential neighborhood which will (A) have a long economic life, (B) be protected against undesirable traffic patterns and other adverse physical conditions, and (C) be served by such school, playground, shopping, recreational, and other facilities as the Commissioner deems adequate.

"PREMIUMS AND FEES

"SEC. 1006. The Commissioner shall collect reasonable premiums for the insurance of any mortgage under this title and shall make such additional charges as he may deem reasonable for the analysis of the new community or land development plan and the appraisal and inspection of the property and improvements. On or before January 1, 1968, the Commissioner shall make a report to the Congress concerning the premium rates and additional charges under this title which he estimates would be adequate to protect the solvency of the Land Development Insurance Fund and to provide income sufficient for the program established by this title to be self-supporting on a continuing basis.

"INSURANCE BENEFITS

"SEC. 1007. The provisions of subsections (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 of this Act shall be applicable to mortgages insured under this title, except that as applied to such mortgages (1) all reference therein to the Housing Insurance Fund or the Housing Fund shall be deemed to refer to the Land Development Insurance Fund, (2) all references therein to section 207 or section 210 shall be deemed to refer to this title, and (3) any reference to an annual premium shall be deemed to refer to such premiums as the Commissioner may designate.

"INSURANCE FUND

"SEC. 1008. There is hereby created the Land Development Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title. The Commissioner is authorized to transfer to the Fund a sum not to exceed \$10,000,000 from the War Housing Fund created by section 602 of this Act. General expenses of operation of the Federal Housing Administration under this title may be charged to the Land Development Insurance Fund.

"INCONTESTABILITY PROVISIONS

"SEC. 1009. Any contract of insurance executed by the Commissioner under this title shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud or misrepresentation on the part of such approved mortgagee.

"RULES AND REGULATIONS

"SEC. 1010. The Commissioner is authorized to make such rules and regulations and to require such agreements as he may deem necessary or desirable to carry out the provisions of this title.

"TAXATION PROVISIONS

"SEC. 1011. Nothing in this title shall be construed to exempt any real property acquired and held by the Commissioner under this title from taxation by any State or political subdivision thereof to the same extent, according to its value, as other real property is taxed.

"COST CERTIFICATIONS

"SEC. 1012. (a) The Commissioner shall adopt such regulations and procedures, and require such certifications, as he deems reasonably necessary to assure—

"(1) that the outstanding balance of any mortgage insured in accordance with the provisions of section 1004 of this title shall not at any time exceed—

"(A) in the case of basic community systems improvements, the aggregate amount of (i) 75 per centum of the value, as estimated by the Commissioner, of the mortgagor's interest in the land before development and (ii) 90 per centum of the actual cost of land development attributable to such improvements, as such aggregate amount is allocated by the Commissioner at the time to the property remaining under the lien of the mortgage; and

"(B) in the case of other land development, the aggregate amount of (i) 75 per centum of the value, as estimated by the Commissioner, of the mortgagor's interest in the land before land development and (ii) 75 per centum of the actual costs of the land development, as such aggregate amount is allocated by the Commissioner at the time to the property remaining under the lien of the insured mortgage; and

"(2) that the outstanding balance of any mortgage insured in accordance with the provisions of section 1005 of this title shall not at any time exceed the aggregate amount of (A) 50 per centum of the value, as estimated by the Commissioner, of the mortgagor's interest in the land before development and (B) 90 per centum of the actual costs of development, as such aggregate amount is allocated by the Commissioner at the time to the property remaining under the lien of the insured mortgage.

"(b) Notwithstanding any other provision of this title, the Commissioner may permit the outstanding balance of any mortgage to exceed the limits set forth in subsection (a) when, and to the extent that, he determines that such action is necessary in order to enable the mortgagor to give priority to land development in connection with the provision of housing for low- and moderate-income families: *Provided*, That the Commissioner shall not under this subsection permit said outstanding balance at any time to exceed 85 per centum of the sum of the value, as estimated by the Commissioner, of the mortgagor's interest in the land before development and the actual cost of land development as such sum is allocated by the Commissioner at the time to the property remaining under the lien of the mortgage.

"(c) For purposes of this section, the Commissioner shall require the mortgagor to certify, from time to time during the development of the land, and upon completion of such development but prior to final endorsement of the mortgage, as to the actual costs of development. Certifications required pursuant to this section shall be accompanied by such data and records as the Commissioner shall prescribe. Upon the Commissioner's approval of a mortgagor's certification, such certification shall be final and incontestable, except for fraud or material misrepresentation on the part of the mortgagor. As used in this section, the term 'actual costs' means the costs exclusive of kickbacks, rebates, or trade discounts, to the mortgagor of the improvements, including amounts paid for labor, materials, construction contracts, land planning, engineers' and architects' fees, surveys, taxes, and interest during development, organizational and legal expenses, such allocation of general overhead expenses as are acceptable to the Commissioner, and allowance for contractors' profit deemed reasonable by the Commissioner if the mortgagor is also the contractor as defined by the Commissioner, and other items of expense incidental to development which may be approved by the Commissioner."

CONFORMING AMENDMENTS

SEC. 202. (a) Section 219 of the National Housing Act is amended by inserting "the Land Development Insurance Fund," after "the Apartment Unit Insurance Fund,".

(b) Section 212 of the National Housing Act is amended by inserting after the third sentence of subsection (a) of such section the following new sentence: "The provisions of this section shall also apply to insurance under title X with respect to laborers or mechanics employed in land development financed with the proceeds of any mortgage insured under that title."

(c) Section 302(b) of the Federal National Mortgage Association Charter Act is amended by—

(1) inserting "section 1004," after "section 220" in the first proviso; and

(2) striking out "the term 'mortgages'" in the last sentence and substituting "the terms 'mortgages' and 'home mortgages'".

(d) The first paragraph of section 24 of the Federal Reserve Act is amended by inserting before the last sentence the following new sentence: "Notwithstanding the limitations and restrictions in this section, any national banking association may make loans for land development which are secured by mortgages insured under title X of the National Housing Act."

(e) Section 5(c) of the Home Owners Loan Act of 1933 is amended by adding at the end thereof the following new paragraph:

"Without regard to any other provision of this subsection, any such association may, to such extent as the Federal Home Loan Bank Board may by regulation permit, invest in loans, and interests in loans, secured by mortgages as to which the association has the benefit of insurance under title X of the National Housing Act or of a commitment or agreement for such insurance, and investments under this sentence shall not be included in any percentage of assets referred to in this subsection."

ADDITIONAL RELIEF FOR HOME MORTGAGORS IN DEFAULT DUE TO CIRCUMSTANCES BEYOND THEIR CONTROL

SEC. 203. (a) Section 204 of the National Housing Act is amended by striking out the fourth proviso in subsection (a) and inserting in lieu thereof the following: "*And provided further*, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor, he may, upon such terms and conditions as he may prescribe, (1) approve the request of the mortgagee for an extension of the time for the curing of the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property to such time as the Commissioner may determine is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means, the Commissioner is authorized to include in debentures an amount equal to any unpaid mortgage interest, or (2) approve a modification of the terms of the mortgage for the purpose of changing the amortization provisions by recasting, over the remaining term of the mortgage or over such longer period as may be approved by the Commissioner, the total unpaid amount then due, as determined by the Commissioner, with the modification to become effective currently or to become effective upon the termination of an agreed upon extension of the period for curing the default; and the principal amount of the mortgage, as modified, shall be considered to be the 'original principal obligation of the mortgage' as that term is used in this Act for the purpose of computing the total face value of the debentures to be issued or the cash payment to be made by the Commissioner to a mortgagee".

(b) Section 230 of said Act is amended by striking out the first sentence and inserting in lieu thereof the following:

"Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner, in his discretion and for the purpose of avoiding foreclosure of the mortgage, and notwithstanding the fact that he has previously approved a request of the mortgagee for an extension of the time for curing the defaulted mortgage and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, or has approved a modification of the mortgage for the purpose of changing the amortization provisions by recasting the unpaid balance, may acquire the loan and security therefor upon payment of the insurance benefits (by issuance to the mortgagee of debentures, or by payment of cash or issuance of debentures if the loan is insured under section 220, 221, or 233) in an amount equal to the unpaid principal balance of the loan plus any unpaid mortgage interest plus reimbursement for such costs and

attorney's fees as the Commissioner finds were properly incurred in connection with the defaulted mortgage and its assignment to the Commissioner, and for any proper advances theretofore made by the mortgagee under the provisions of the mortgage. After the acquisition of such mortgage by the Commissioner, the mortgagee shall have no further rights, liabilities, or obligations with respect thereto."

CORRECTION OF SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

SEC. 204. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"EXPENDITURES TO CORRECT OR COMPENSATE FOR SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

"SEC. 517. (a) The Commissioner is authorized, with respect to any property improved by a one- to four-family dwelling approved for mortgage insurance prior to the beginning of construction which he finds to have structural or other major defects affecting the livability of the property, to make expenditures for (1) correcting such defects; (2) paying the claims of the owner of the property arising from such defects; or (3) acquiring title to the property: *Provided*, That such authority of the Commissioner shall exist only (A) if the owner has requested assistance from the Commissioner not later than 4 years (or such shorter time as the Commissioner may prescribe) after insurance of the mortgage, and (B) with respect to property encumbered by a mortgage insured under this Act after or not more than 3 years prior to enactment of the Housing and Community Development Act of 1964.

"(b) The Commissioner shall by regulations prescribe the terms and conditions under which expenditures and payments may be made under the provisions of this section, and his decisions regarding such expenditures or payments, and the terms and conditions under which the same are approved or disapproved, shall be final and conclusive and shall not be subject to judicial review."

HOME IMPROVEMENT LOANS OUTSIDE OF URBAN RENEWAL AREAS

SEC. 205. Section 203(k) of the National Housing Act is amended by—

(1) striking out in the first sentence in designated clause (2) "economically sound" and inserting in lieu thereof "an acceptable risk";

(2) striking out in the first sentence designated clause (4) and inserting in lieu thereof the following: "(4) insurance benefits shall be paid in cash out of the section 203 Home Improvement Account or in debentures executed in the name of such Account."; and

(3) striking out in the third sentence "Debentures issued with respect to loans insured under this subsection shall be issued" and inserting in lieu thereof "Insurance benefits paid with respect to loans insured under this subsection shall be paid".

MORTGAGE LIMITS FOR HOMES

SEC. 206. (a) Section 203(b) (2) of the National Housing Act is amended by striking out "\$25,000", "\$27,500", "\$27,500", and "\$35,000" and inserting in lieu thereof "\$30,000", "\$32,500", "\$32,500", and "\$37,500", respectively.

(b) Section 203(i) of the National Housing Act is amended by—

(1) striking out "\$9,000" and inserting in lieu thereof "\$11,000", and

(2) inserting the following after the second proviso: "*Provided further*, That notwithstanding the requirements of this subsection, the Commissioner may in his discretion insure under this section a mortgage on a dwelling to be used by the mortgagor for vacation purposes if the amount of the mortgage is not in excess of 90 per centum of the appraised value of the property and he finds that the project with respect to which the mortgage is executed is an acceptable risk:".

TITLE III—URBAN RENEWAL AND GROWTH

LOAN CONTRACT FOR TWO OR MORE PROJECTS

SEC. 301. (a) Section 102(a) of the Housing Act of 1949 is amended by adding at the end thereof: "Notwithstanding any other provisions of this title, the Administrator may make a temporary loan, as described in the first two sentences of this subsection, for two or more urban renewal projects being carried out by the same local public agency. Such a loan (outstanding at any one time)

shall be for an amount not exceeding the estimated expenditures to be made by the local public agency for such projects."

(b) Section 110(g) of the Housing Act of 1949 is amended by striking out in the first sentence thereof the words "for any project".

GENERAL NEIGHBORHOOD RENEWAL PLANS

SEC. 302. Section 102(d) of the Housing Act of 1949 is amended by striking out the fifth sentence and inserting in lieu thereof:

"In order to facilitate proper preliminary planning for the attainment of the urban renewal objectives of this title, the Administrator may also make advances of funds (in addition to those authorized above) to local public agencies for the preparation of General Neighborhood Renewal Plans (as herein defined). A General Neighborhood Renewal Plan may be prepared for an area consisting of an urban renewal area or areas, together with any adjoining areas having specially related problems, and which is of such size that the urban renewal activities in the urban renewal area or areas may have to be initiated in stages, consistent with the capacity and resources of the respective local public agency over an estimated period of not more than 10 years."

INCREASED CAPITAL GRANTS FOR REDEVELOPMENT AREAS

SEC. 303. Section 103(a)(2)(B) of the Housing Act of 1949 is amended by striking out the words "the second sentence of section 5(a)" and inserting in lieu thereof "section 5".

CAPITAL GRANT AUTHORIZATION

SEC. 304. Section 103(b) of the Housing Act of 1949 is amended by striking out "not to exceed \$4,000,000,000" and inserting "not to exceed \$5,400,000,000" in lieu thereof.

FEASIBLE METHOD FOR RELOCATION OF INDIVIDUALS

SEC. 305. (a) Section 105(c) of the Housing Act of 1949 is amended by striking out "families" wherever that term appears and inserting in lieu thereof "individuals and families".

(b) The requirement imposed by the amendment contained in subsection (a) of this section shall not be applicable to any project receiving Federal recognition prior to the effective date of this Act.

DISPOSAL OF LAND FOR LOW- AND MODERATE-INCOME HOUSING

SEC. 306. (a) Subsection (b) of section 107 of the Housing Act of 1949 is redesignated as subsection (a) and is amended by inserting after the word "families" the words "or individuals".

(b) Subsection (a) of section 107 of the Housing Act of 1949 is redesignated as subsection (b) and is amended by—

(1) striking out all that appears before the proviso and inserting in lieu thereof the following: "When it appears in the public interest that real property acquired as part of an urban renewal project should be used in whole or in part for a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act, the property shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to its fair value, as determined in accordance with subsection (a), and such amount shall be included as part of the development cost of such low-rent housing project:";

(2) striking out the word "land" where it first appears in the proviso and inserting in lieu thereof "property"; and

(3) striking out the word "site" where it first appears in the proviso and inserting in lieu thereof "property".

INCREASE NONRESIDENTIAL EXCEPTION

SEC. 307. The fifth sentence of section 110(c) of the Housing Act of 1949 is amended by striking out "30 per centum" in the second proviso and inserting in lieu thereof "35 per centum".

AMENDMENT OF DEFINITION OF "GOING FEDERAL RATE"

SEC. 308. Section 110(g) of the Housing Act of 1949 is amended by striking out the last sentence and inserting in lieu thereof:

"Any contract for loan or advance, authorized by the Administrator after the effective date of the Housing and Community Development Act of 1964, shall provide for a single interest rate which shall be applicable also to future amendments of the contract which provide additional funds thereunder and shall further provide for a periodic revision of the interest rate on the balance outstanding or to be outstanding on such loan or advance, based on the going Federal rate on the date of such revision: *Provided*, That any contract for loan or advance authorized prior to the effective date of the Housing and Community Development Act of 1964 shall be amended (with the first amendment to such contract authorized after the effective date of such Act) to provide for such a single interest rate (based on the going Federal rate at the time such amendment is authorized) and for periodic revision thereof."

URBAN RENEWAL DEMONSTRATION PROGRAM

SEC. 309. Section 314 of the Housing Act of 1954 is amended by—

- (1) inserting "(a)" after "314." at the beginning of the section;
- (2) inserting the following before the period at the end of the second sentence: "*: Provided*, That such a grant may cover the full cost of writing and publishing reports on such activities and undertakings";
- (3) inserting "activities and" before "undertakings" in the third sentence; and
- (4) striking out the last two sentences and inserting in lieu thereof two new paragraphs, as follows:

"(b) The Administrator is further authorized to pay for the cost of (1) writing and publishing reports on activities and undertakings financed by grants made under this section, as well as reports on similar activities and undertakings, not so financed, which are of significant value in furthering the purposes of this section, and (2) writing and publishing summaries and other informational material on such reports.

"(c) The aggregate amount of grants made under subsection (a) and costs incurred pursuant to subsection (b) shall not exceed \$10,000,000 and shall be payable from the grant funds provided under and authorized by section 103(b) of the Housing Act of 1949. The Administrator may make advance or progress payments on account of any contract entered into pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended."

URBAN AND REGIONAL PLANNING GRANTS

SEC. 310. (a) Section 701(a) of the Housing Act of 1954 is amended by deleting "resulting from rapid urbanization" in clause (B) of paragraph (1).

(b) Section 701(a) of the Housing Act of 1954 is amended by—

- (1) deleting "and" at the end of paragraph (4);
- (2) striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and
- (3) adding a new paragraph (6) after paragraph (5), as follows:

"(6) metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1) of this subsection; and".

(c) Section 701(a) of the Housing Act of 1954 is amended by striking out "(a)" after "section 5" in paragraph (3).

(d) Section 701(b) of the Housing Act of 1954 is amended by striking out the proviso in the first sentence and inserting in lieu thereof: "*Provided*, That such a grant may be in an amount not exceeding three-fourths of such estimated cost for planning being carried out for a city, other municipality, county, group of adjacent communities, or Indian reservation in an area designated by the Secretary of Commerce as a redevelopment area under section 5 of the Area Redevelopment Act".

PLANNING GRANT AUTHORIZATION

SEC. 311. Section 701(b) of the Housing Act of 1954 is amended by striking out "not exceeding \$75,000,000" in the fifth sentence and inserting in lieu thereof "such amounts as may be necessary".

PLANNING GRANTS FOR NEW COMMUNITIES

SEC. 312. Section 701 of the Housing Act of 1954 is amended by striking out all after "rapid urbanization" in paragraph (4) of subsection (a) and inserting in lieu thereof "(A) has resulted or is expected to result from the establishment or rapid and substantial expansion of a Federal installation, or (B) is expected to result from the establishment of a new community as defined in title X of the National Housing Act; and".

PLANNING GRANTS FOR INDIAN RESERVATIONS

SEC. 313. (a) Section 701(a) of the Housing Act of 1954 is amended by—

- (1) deleting "and" at the end of clause (B) of paragraph (1) ;
- (2) inserting ", and (D) Indian reservations" before the semicolon at the end of paragraph (1) ; and
- (3) adding a new paragraph (7) after paragraph (6), as follows:

"(7) tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning for an Indian reservation to which no State planning agency or other agency or instrumentality is empowered to provide planning assistance under clause (D) of paragraph (1) above."

(b) Section 701(d) of such Act is amended by—

- (1) striking out "and urban regions" in the first sentence and inserting in lieu thereof "urban regions, and Indian reservations"; and
- (2) inserting the following after "instrumentalities" in the second sentence: ", and to Indian tribal bodies,".

TITLE IV—HOUSING FOR LOW INCOME FAMILIES

ELIGIBILITY OF DISPLACED INDIVIDUALS

SEC. 401. (a) Section 2(2) of the United States Housing Act of 1937 is amended to read as follows:

"(2) The term 'families of low income' means families (including elderly and displaced families) who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term 'families' includes single persons only in the case of elderly families, displaced families, and the remaining members of tenant families. The term 'elderly families' means families whose heads (or their spouses), or whose sole members, have attained the age at which an individual may elect to receive an old age benefit under title II of the Social Security Act or who are under a disability as defined in section 223 of that Act. The term 'displaced families' means families displaced by urban renewal or other governmental action."

(b) Section 10(g) (2) of said Act is amended by striking out "those displaced by urban renewal or other governmental action" and inserting in lieu thereof "displaced families".

(c) Section 15(7)(b) of said Act is amended by striking out "family displaced by urban renewal or other governmental action" and inserting in lieu thereof "displaced family".

ADDITIONAL SUBSIDY FOR URBAN RENEWAL AND LOW-RENT HOUSING DISPLACES

SEC. 402. Section 10(a) of the United States Housing Act of 1937 is amended by striking out the period at the end of the first proviso and inserting in lieu thereof a colon and the following: "*Provided further*, That such an additional payment may also be made, on the same terms and conditions and subject to the same limitations, with respect to a unit occupied on the last day of the project fiscal year by a displaced family if such family was displaced by an urban renewal or low-rent housing project on or after January 27, 1964, and if and to the extent that the rental of such unit was less than the rental which, in the determination of the Authority based on average or estimated average project rentals, would

have been established in leasing the unit to another family which was neither an elderly family nor similarly displaced."

CERTIFICATION OF EQUIVALENT ELIMINATION

SEC. 403. Section 10(a) of the United States Housing Act of 1937 is amended by inserting immediately before the comma after the word "elimination", where the word first appears, the following: ", as certified by the local governing body".

ACQUISITION AND LEASE OF EXISTING HOUSING

SEC. 404. Section 10(c) of the United States Housing Act of 1937 is amended by striking out "*And provided*" and inserting in lieu thereof "*Provided*", and by inserting a colon and the following proviso before the period at the end thereof: "*And provided further*, That the amount of the fixed annual contribution which would be established under this Act for a newly constructed project by a public housing agency designed to accommodate a number of families of a given size and kind may be established, as a maximum annual contribution in lieu of any other guaranteed contribution authorized under this section, for a project by such public housing agency which would provide housing for the comparable number, sizes and kinds of families through the acquisition, acquisition and rehabilitation, or use under lease of existing structures which are suitable for low-rent housing use and available in the local market".

INCREASE IN AUTHORIZATION FOR ANNUAL CONTRIBUTIONS

SEC. 405. Section 10(e) of the United States Housing Act of 1937 is amended by inserting immediately following the comma after the words "per annum", the following: "which limit shall be increased by \$46,000,000 on the date of the enactment of the Housing and Community Development Act of 1964, and by further amounts of \$46,000,000 on July 1 in each of the years 1965, 1966 and 1967, respectively,".

RELOCATION OF FAMILIES AND INDIVIDUALS DISPLACED FROM PROJECT SITES

SEC. 406. (a) Section 15(7) (b) of the United States Housing Act of 1937 is amended by striking out the word "and" before "(ii)" and by striking out the period at the end of the section and inserting in lieu thereof a semicolon and the following "and (iii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a feasible method for the temporary relocation of the individuals and families displaced from the project site, and that there are or are being provided, in the project or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the individuals and families displaced from the project site, decent, safe, and sanitary dwelling equal in number to the number of and available to such displaced individuals and families and reasonably accessible to their places of employment."

(b) Subsection (a) of this section shall not be applicable with respect to any project for which an application for preliminary loan has been approved by the local governing body prior to the effective date of this Act.

RELOCATION PAYMENTS

SEC. 407. Section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof a new paragraph (8) as follows:

"(8) In order to permit public housing agencies to make relocation payments as defined in this subsection, the Authority may authorize the cost of such payments to be included with the development or acquisition cost of any project for purposes of determining the amount of loans and annual contributions authorized to be made with respect to such project under sections 9 and 10 of this Act, but such costs shall be separately stated as relocation costs and shall be excluded from any amounts on which the computation of annual contributions is based for purposes of determining the amount of local contributions required with respect to such project under section 10(h) of this Act. As used in this paragraph, the term 'relocation payment' means a payment (1) which is made to an individual, family, business concern or nonprofit organization displaced on or after January 27, 1964, from a low-rent housing project site as a result of the acquisition of real property by a public housing agency, (2) which is not otherwise author-

ized under any Federal law, and (3) which is made only on such terms and conditions, and subject to such limitations, as are authorized (as of the time such payment is approved) under sections 114 (b) and (c) of the Housing Act of 1949 for relocation payments made to individuals, families, business concerns and nonprofit organizations pursuant to such sections: *Provided*, That the provisions of section 114(e) of the Housing Act of 1949 shall be applicable with respect to families and individuals receiving relocation payments pursuant to this paragraph if such payments are of the kind described in section 114(c) (ii) of the Housing Act of 1949."

LOW-INCOME HOUSING DEMONSTRATION PROGRAM AUTHORIZATION

SEC. 408. Section 207 of the Housing Act of 1961 is amended by striking out "\$5,000,000" and inserting in lieu thereof "\$10,000,000".

TITLE V—RURAL HOUSING LOANS AND GRANTS

EXTENSION OF SENIOR CITIZENS RENTAL HOUSING

SEC. 501. Section 515 of the Housing Act of 1949 is amended by deleting "1964" in clause (5) of subsection (b) and inserting in lieu thereof "1968".

INSURED RURAL HOUSING LOANS

SEC. 502. (a) Section 502(a) of the Housing Act of 1949 is amended by striking out "with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal." and inserting in lieu thereof the following: "with interest for loans under this section at a rate not to exceed 5 per centum per annum and for loans under sections 503 and 504 at a rate not to exceed 4 per centum per annum on the unpaid balance of principal. Borrowers with loans made or insured under this title shall pay such fees and other charges as the Secretary may require."

(b) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new sections:

"SEC. 516. (a) The Secretary is authorized to insure and to make loans to be sold and insured in accordance with the provisions of sections 501, 502, 514, 515, this section, and 517, exclusive of 514(a) (3), (4), and (5) and (b) and 515 (a) and (b) (4), and except that such loans in accordance with sections 501 and 502—

"(1) to owners of nonfarm rural tracts of low or moderate income as defined by the Secretary and to owners of farms shall not exceed amounts necessary to provide adequate housing modest in size, design, and cost as determined by the Secretary, and the aggregate of loans to such owners made and insured in any one fiscal year shall not exceed \$300,000,000; and

"(2) to other owners of nonfarm rural tracts shall bear interest and provide for insurance or service charges at rates determined by the Secretary, not to exceed the maximum rates of interest and premium charges provided in section 203 of the National Housing Act.

"(b) The Secretary may use the fund established pursuant to section 517 for the purpose of making loans to be sold and insured under this section, provided that the aggregate of such loans made and not disposed of at any one time shall not exceed \$100,000,000.

"(c) The Secretary may insure loans advanced by lenders other than the United States, and may sell and insure loans made by the Secretary out of the fund, for the payment of principal and interest thereon as the same becomes due. Any contract of insurance executed by the Secretary shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder has actual knowledge. In connection with loans insured under this section the Secretary may take liens running to the United States notwithstanding the fact that the notes evidencing such loans may be held by lenders other than the United States. Notes evidencing such loans shall be freely assignable but the Secretary shall not be bound by any assignment until notice thereof is given to and acknowledged by the Secretary.

"(d) After ninety days after the original capitalization of the fund created by section 517, no loans, other than loans then held or insured by the Secretary pursuant to section 514 or 515(b), shall be made or insured under section 514 or 515(b) except in accordance with this section.

"SEC. 517. (a) There is hereby created a fund, to be known as the Rural Housing Insurance Fund (hereinafter referred to as the 'fund'), which shall be used by the Secretary as a revolving fund for carrying out the provisions of section 516 and this section. There are hereby authorized to be appropriated to the Secretary such sums as may be necessary for the purposes of the fund.

"(b) Money in the fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

"(c) Loans made or insured under section 516 and held or acquired by the Secretary, and security in connection with such loans, shall become a part of the fund. Loans may be held in the fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof. The Secretary is authorized to make agreements with respect to servicing such loans and, when necessary for liquidation or servicing, to purchase such loans on such terms and conditions as he may prescribe. Loans may be sold by the Secretary at prices within the range of market prices for the particular classes of loans, as determined by the Secretary from time to time. The aggregate of (1) any amount by which the balance outstanding on loans at the time of sale exceeds the price at which the loans are sold and (2) the amount of any fees and charges paid in connection with any sales shall be reimbursed to the fund by annual appropriations.

"(d) The Secretary is authorized to make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under section 516 and this section and for authorized expenditures out of the fund. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at the rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the notes issued by the Secretary under this section. The Secretary of the Treasury is authorized and directed to purchase any notes of the Secretary issued hereunder, and for that purpose the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which such securities may be issued under such Act, as amended, are extended to include purchases of notes issued by the Secretary. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States. The notes issued by the Secretary to the Secretary of the Treasury shall become obligations of the fund. Except as may be authorized by Congress from time to time in appropriation acts, the authority of this subsection shall not extend to the original or any increased capitalization of the fund or to the restoration of any depletion of the fund occasioned by the sale of loans at prices less than the balances outstanding thereon.

"(e) The Secretary may retain out of payments by the borrower, an annual charge in an amount specified in the insurance or sale agreement applicable to the loan. Out of the charges retained by the Secretary, if any, not to exceed one-half of 1 per centum of the unpaid balance of the loan shall be deposited in the fund and the remainder of such charges so retained, if any, shall be available for administrative expenses in carrying out the provisions of this title, to be transferred annually and become merged with any appropriation for administrative expenses of the Farmers Home Administration.

"(f) The Secretary may also utilize the fund—

"(1) to pay amounts to which the holder of the note is entitled in accordance with insurance or sales agreements under this title accruing between the date of any prepayment by the borrower and the date of transmittal of any such prepayments to the holder of the note. In the discretion of the Secretary, prepayments other than final payments need not be remitted to the holder until due;

"(2) to pay the holder of any note insured under this title any defaulted installment or, upon assignment of the note to the Secretary at the Secretary's request, the entire balance outstanding on the note;

"(3) to pay taxes, insurance, prior liens, expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections, and other expenses and advances to protect the security for loans

which are insured under this title or held in the fund and to acquire such security property at foreclosure sale or otherwise; and

"(4) to pay fees and charges in connection with sales by the Secretary of loans insured under this title."

FNMA SECONDARY MARKET OPERATIONS FOR RURAL HOUSING INSURED LOANS

SEC. 503. (a) Section 302(b) of the Federal National Mortgage Association Charter Act is amended by—

(1) inserting after "which are insured under the National Housing Act" and before the comma the following: "or title V of the Housing Act of 1949";

(2) striking out in clause (2) of the first proviso "a Federal, State," and inserting in lieu thereof "a Federal instrumentality or, except a mortgage insured under title V of the Housing Act of 1949, a State,"; and

(3) inserting in the last sentence before the period, the following: "or title V of the Housing Act of 1949".

(b) Section 303(b) of the Federal National Mortgage Association Charter Act is amended by inserting "and other" in the first sentence, after "private".

LOANS AND GRANTS TO DOMESTIC FARM LABORERS FOR ESSENTIAL DWELLING REPAIRS

SEC. 504. (a) The first sentence of section 504(a) of the Housing Act of 1949 is amended to read as follows: "In the event the Secretary determines that an individual who meets the requirements of eligibility set forth in section 501(c), or who is a domestic farm laborer, cannot qualify for a loan under the provisions of section 502 or 503 and that repairs or improvements should be made to a dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, or that repairs should be made to farm buildings in order to remove hazards and make such buildings safe, the Secretary may make a grant or a combined loan and grant to such individual to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making other similar repairs or improvements: *Provided, however,* That assistance to domestic farm laborers under this subsection may be provided only to repair or improve a dwelling in a rural area occupied by the applicant or his family for a substantial portion of the year and only upon such conditions as the Secretary shall prescribe to assure that the major benefits of such assistance will accrue to the applicant and his family, or to the applicant and his family and other domestic farm laborers."

(b) Section 504 of such Act is further amended by adding at the end thereof a new subsection as follows:

"(c) As used in this section, the term 'domestic farm laborer' means a citizen of the United States who receives a substantial portion (as determined by the Secretary) of his income as a laborer on a farm or farms situated in the United States."

DEFINITION OF DOMESTIC FARM LABOR

SEC. 505. Clause (3) of section 514(f) of the Housing Act of 1949 is amended to read as follows: "(3) the term 'domestic farm labor' means persons who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States and either (A) are citizens of the United States or (B) reside in the United States after being legally admitted for permanent residence therein."

LOW-RENT HOUSING FOR DOMESTIC FARM LABOR

SEC. 506. (a) Title V of the Housing Act of 1949 is further amended by adding at the end thereof the following new section:

"FINANCIAL ASSISTANCE TO PROVIDE LOW-RENT HOUSING FOR DOMESTIC FARM LABOR

"SEC. 518. (a) Upon the application of any nonprofit organization, or nonprofit association of domestic farm labor, the Secretary is authorized to provide financial assistance for the provision of low-rent housing and related facilities for domestic farm labor, if he finds that—

"(1) the housing and related facilities for which financial assistance is requested will fulfill a pressing need in the area in which such housing and

facilities will be located, and there is reasonable doubt that the same can be provided without financial assistance under this section ;

"(2) the applicant will contribute, from its own resources or from funds borrowed under section 514 or elsewhere, at least one-third of the total development cost ;

"(3) the types of housing and related facilities to be provided are most practical, giving due consideration to the purposes to be served thereby and the needs of the occupants thereof ; and

"(4) the construction will be undertaken in an economical manner, and the housing and related facilities will not be of elaborate or extravagant design or material.

"(b) The amount of any financial assistance provided under this section for low-rent housing and related facilities shall not exceed two-thirds of the total development cost thereof, as determined by the Secretary, less such amount as the Secretary determines can be practicably obtained from other sources (including a loan under section 514).

"(c) No financial assistance for low-rent housing and related facilities shall be made available under this section unless, to any extent and for any periods required by the Secretary, the applicant agrees—

"(1) that the rentals charged domestic farm labor shall not exceed such amounts as may be approved by the Secretary, giving due consideration to the income and earning capacity of the tenants, and the necessary costs of operating and maintaining such housing ;

"(2) that such housing shall be maintained at all times in a safe and sanitary condition in accordance with such standards as may be prescribed by State or local law, or, in the absence of such standards, in accordance with such minimum requirements as the Secretary shall prescribe ; and

"(3) an absolute priority will be given at all times in granting occupancy of such housing and facilities to domestic farm labor.

"(d) The Secretary may make payments pursuant to any contract for financial assistance under this section at such times and in such manner as may be specified in the contract. In each such contract the Secretary shall include such covenants, conditions, or provisions as he deems necessary to insure that the housing and related facilities, for which financial assistance is made available, be used only in conformity with the provisions of this section.

"(e) The Secretary shall prescribe regulations to insure that Federal funds expended under this section are not wasted or dissipated.

"(f) All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary which are undertaken by approved applicants under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5). The Secretary shall not extend any financial assistance under this section for any project without first obtaining adequate assurance that these labor standards will be maintained on the construction work ; except that compliance with such standards may be waived by the Secretary in cases or classes of cases where laborers or mechanics, not otherwise employed at any time on the project, voluntarily donate their services without compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts thereby saved are fully credited to the person, corporation, association, organization, or other entity undertaking the project. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176 ; 64 Stat. 1267 ; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"(g) As used in this section—

"(1) the term 'low-rent housing' means rental housing within the financial reach of families of low income consisting of (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement ;

"(2) the terms 'related facilities' and 'domestic farm labor' shall have the meaning assigned to them in section 514(f) ; and

"(3) the term 'development cost' shall have the meaning assigned to it in section 515(d)(4)."

(b) Section 513 of the Housing Act of 1949 is amended by redesignating clauses "(c)" and "(d)" as clauses "(d)" and "(e)", respectively, and by in-

serting after the semicolon at the end of clause (b) the following: "(c) not to exceed \$75,000,000 for financial assistance pursuant to section 518 for the period ending June 30, 1968;"

CONFORMING AMENDMENTS

SEC. 507. (a) Section 506(a) of the Housing Act of 1949 is amended by striking out "sections 514 and 515" each place it appears and inserting in lieu thereof "sections 514-518".

(b) Section 514(a) of the Housing Act of 1949 is amended by striking out "any State or political subdivision thereof, or any public or" and inserting in lieu thereof "or any".

TITLE VI—COMMUNITY FACILITIES

PUBLIC FACILITY LOANS

SEC. 601. (a) Section 202(a) of the Housing Amendments of 1955 is amended by striking out in clause (1) of the first sentence "instrumentalities of States" and inserting in lieu thereof "instrumentalities of one or more States" and by striking out "in the same State" and inserting in lieu thereof "of one or more States".

(b) Section 202(b) (4) of the Housing Amendments of 1955 is amended by—
(1) striking out "the second sentence of section 5(a) of the Area Redevelopment Act" and inserting in lieu thereof "section 5 of the Area Redevelopment Act";

(2) inserting "(A)" before "to any municipality" in the first sentence and by striking out everything following the phrase "most recent decennial census, or" in that sentence and inserting in lieu thereof: "; or (B) to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States, unless each municipality, political subdivision, or unincorporated area to be served by the specific public work or facility for which assistance is sought under this section has a population less than the applicable figure under clause (A) according to such census."; and

(3) inserting "(A)" after "this section" in the second sentence thereof and adding the following before the period at the end thereof: ", (B) where principal or interest on such assistance is postponed under subsection (g) of this section, or (C) where such assistance is extended to finance the construction of public works or facilities in connection with the establishment of a new community under title X of the National Housing Act".

ADVANCE ACQUISITION OF LAND

SEC. 602. (a) Section 202 of the Housing Amendments of 1955 is further amended by inserting after subsection (a) the following new subsection (b) and redesignating the remaining subsections accordingly:

"(b) In order to encourage and assist in the timely acquisition of open or predominantly undeveloped land planned to be utilized in connection with the future construction of public works and facilities, the Housing and Home Finance Administrator is authorized to purchase the securities and obligations of, or make loans to, municipalities and other political subdivisions and instrumentalities of one or more States (including public agencies and instrumentalities of one or more municipalities or other political subdivisions of one or more States), and Indian tribes to finance the acquisition of a fee simple estate or other interest in such land. A loan under this subsection may be in an amount which shall not exceed the total cost, as approved by the Administrator, of acquiring such interest; shall be reasonably secured; shall be repaid in such manner and within such period, not exceeding 15 years, as may be determined by the Administrator; and shall bear interest at the rate prescribed for financial assistance extended under subsection (a) of this section. The Administrator in his discretion may provide for the postponement of the payment of principal and interest on any financial assistance extended under this subsection: *Provided*, That any interest payment so deferred shall accrue and be compounded semiannually. The Administrator shall not extend any financial assistance under this subsection for the acquisition of land unless he finds that the public work or facility for which such land is to be utilized is planned to be constructed or initiated within a reasonable period of time and that construction of such public

work or facility will contribute to economy, efficiency, and the comprehensively planned development of the area. The Administrator may set such further terms and conditions for assistance under this subsection as he deems to be desirable."

(b) Section 202(e) of the Housing Amendments of 1955 (redesignated as section 202(f) thereof by subsection (a) of this section) is amended by striking out therein the words "subsections (b) and (c)" and inserting in lieu thereof "subsections (c) and (d)".

(c) Section 203(a) of the Housing Amendments of 1955 is amended by striking "section 202(a)" and inserting in lieu thereof "section 202(a) and pursuant to section 202(b)".

GROWTH CAPACITY LOANS

SEC. 603. (a) Section 202 of the Housing Amendments of 1955 is further amended by adding at the end thereof a new subsection as follows:

"(g) Notwithstanding any other provision of this title, the Administrator in his discretion may provide for the postponement of the payment of principal and interest on financial assistance extended under clause (1) of subsection (a) of this section whenever he determines that the specific public work or facility for which such assistance is sought will serve a municipality, political subdivision, or other area which will experience substantial population growth and that the public work or facility to be constructed with financial assistance for which the repayment of principal and interest is postponed pursuant to this section will be needed as the result of such growth and will contribute to economy, efficiency, and the comprehensively planned development of the area: *Provided*, That such postponement of the time of payment of principal and interest shall be for not more than ten years after the year during which the financial assistance is extended and any interest payment so deferred shall accrue and be compounded semi-annually: *Provided further*, That the financial assistance extended shall be repaid, together with the interest thereon, not later than fifty years after the year during which it is extended. Where the Administrator finds such action necessary or desirable to encourage financial participation by private lenders and investors in connection with a public work or facility for which principal or interest on the financial assistance extended is postponed pursuant to this subsection, the security for such financial assistance may be made subordinate and inferior to the lien or liens securing other loans made in connection with such public work or facility.

(b) Paragraph (2) of section 202(b) of the Housing Amendments of 1955 (redesignated as section 202(c) thereof by section 602(a) of this Act) is amended by striking out the second sentence thereof.

ADVANCES FOR PUBLIC WORKS PLANNING

SEC. 604. (a) Section 702(e) of the Housing Act of 1954 is amended to read as follows:

"(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section and all repayments and other receipts hereafter received in connection with advances made pursuant to title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-842). There are hereby authorized to be appropriated to such revolving fund such sums as may be necessary to carry out the provisions of this section."

(b) Section 702 of the Housing Act of 1954 is amended by adding at the end thereof the following new subsection:

"(h) (1) Notwithstanding any other provision of law, if a public agency undertakes to construct only a portion of a public work planned with an advance under this section, title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791), or the Act of October 13, 1949 (63 Stat. 841-842), it shall repay such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable.

"(2) The Administrator is authorized to terminate, upon such terms and conditions as he shall deem equitable, all or a portion of the liability for re-

payment of any advance made pursuant to this section, title V of the War Mobilization and Reconversion Act of 1944 or the Act of October 13, 1949. Whenever the Administrator determines that there is no reasonable likelihood that the public work, or a portion of the public work, planned with such advance will be constructed, he may terminate the agreement for the advance. Such determination shall be conclusive and shall be based on standards prescribed by regulations to be issued by the Administrator."

(c) Section 702 of the Housing Act of 1954 is amended by—

(1) striking out in subsection (a) "public agencies" wherever that term appears and inserting in lieu thereof "public agencies and Indian tribes";

(2) striking out in clause (3) of subsection (b) "public agency" and inserting in lieu thereof "public agency or Indian tribe";

(3) striking out in subsection (c) "public agency" wherever that term occurs and inserting in lieu thereof "public agency or Indian tribe", and striking out "by such agency" and inserting in lieu thereof "by such agency or tribe"; and

(4) striking out in subsection (c) the following: "That if the public agency undertakes to construct only a portion of a planned public work it shall repay such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable: *And provided further,*"

(d) Section 702(f) of the Housing Act of 1954 is amended by striking out "\$50,000" and inserting in lieu thereof "\$100,000".

TITLE VII—FEDERAL-STATE TRAINING PROGRAMS

FINDINGS AND PURPOSE

SEC. 701. (a) The Congress finds that the rapid expansion of the Nation's urban areas and urban population has caused severe problems in urban and suburban development and created a national need to (1) provide special training in skills needed for economic and efficient community development and (2) support research in new or improved methods of dealing with community development problems.

(b) It is the purpose of this title to assist and encourage the States, in cooperation with public or private universities and colleges and urban centers, to (1) organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are likely to be, employed by a governmental or public body which has responsibilities for community development; and (2) support State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems.

MATCHING GRANTS TO STATES

SEC. 702. (a) Subject to the provisions of this title and in accordance with regulations prescribed by him, the Administrator may make matching grants to States to assist in—

(1) organizing, initiating, developing, or expanding programs to provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are likely to be, employed by a governmental or public body which has responsibilities for community development; and

(2) supporting State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems, and in collecting, collating, and publishing statistics and information relating to such research.

(b) No grants may be made to a State under this title unless the Administrator has approved a plan for the State which—

(1) sets forth the proposed use of the funds and the objectives to be accomplished;

(2) explains the method by which the required amounts from non-Federal sources will be obtained;

(3) provides such fiscal control and fund accounting procedures as may be reasonably necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this title;

(4) designates the officer or agency of the State Government who has responsibility and authority for the administration of a statewide research and training program as the officer or agency with responsibility and authority for the execution of the State program; and

(5) provides that such officer or agency will make such reports to the Administrator, in such form, and containing such information, as may be reasonably necessary to enable the Administrator to perform his duties under this title.

(c) No grant may be made under this title for any use unless an amount at least equal to such grant is made available from non-Federal sources for the same purpose and for concurrent use.

(d) There are hereby authorized to be appropriated for grants under this title \$5,000,000 for the fiscal year ending June 30, 1965, \$15,000,000 for each of the two succeeding fiscal years, and \$25,000,000 for each fiscal year thereafter. Any amount so appropriated may, where specified in an appropriation act, remain available until expended, and any amount authorized but not appropriated for any fiscal year may be appropriated for any succeeding fiscal year.

ALLOTMENT AND PAYMENT

SEC. 703. (a) The funds appropriated under section 702 for a fiscal year shall be allotted by the Administrator among the several States on the basis of the proportion which the total urban population of each State bears to the total urban population of the United States according to the most recent available Bureau of the Census data: *Provided*, That no allotment to a State shall be less than \$50,000, or more than 12½ percent of the amount appropriated in any one fiscal year.

(b) The amount of any State's allotment for a fiscal year which the Administrator determines will not be required, for the period such allotment is available, for carrying out the State plan (if any) approved under section 702 shall be available for reallocation from time to time as the Administrator may determine.

(c) From a State's allotment available for the purpose, the Administrator may pay to such State the Federal share of expenditures under the State plan. Such payments may be made in advance or by way of reimbursement, in such installments and at such times as the Administrator may determine.

(d) Whenever the Administrator, after full consultation with the officer or agency administering a State plan, finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 702(b); or

(2) in the administration of the plan there is a failure to comply substantially with any of its provisions, the Administrator shall notify such State agency or officer that no further payments will be made to the State under this title until he is satisfied that the change or failure will be corrected. Until he is so satisfied, the Administrator shall make no further payments to such State under this title, or shall limit payments to portions of the State plan not affected by such change or failure.

TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF INFORMATION

SEC. 704. In order to carry out the purpose of this title, the Administrator is authorized to provide technical assistance to State and local public bodies and to undertake such studies and publish and distribute such information, either directly or by contract, as he shall determine to be desirable. Nothing contained in this title shall limit any authority of the Administrator under any other provision of law.

MISCELLANEOUS

SEC. 705. (a) As used in this title, the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands; and the term "Administrator" means the Housing and Home Finance Administrator.

(b) There are hereby authorized to be appropriated such sums as may be necessary for administrative and other expenses in carrying out this title.

TITLE VIII—MORTGAGE INSURANCE PROCEDURAL AMENDMENTS

TITLE LIMIT ON FHA RECOUPMENT OF TITLE I INSURANCE PAYMENTS

SEC. 801. Section 2(g) of the National Housing Act is amended by striking out "after December 31, 1957,".

OPTIONAL CASH PAYMENT OF INSURANCE BENEFITS

SEC. 802. Title V of the National Housing Act is amended by adding the following section:

"SEC. 518. (a) Notwithstanding any other provisions of this Act with respect to the payment of insurance benefits, the Commissioner is authorized, in his discretion, to pay in cash or in debentures, on the basis of regulations to be issued from time to time, an insurance claim filed by a mortgagee on or after the effective date of the Housing and Community Development Act of 1964 on a mortgage or a loan which was insured under any section of this Act either before or after such effective date. If payment is made in cash, it shall be in an amount equivalent to the face amount of the debentures that would otherwise be issued plus an amount equivalent to the interest which the debentures would have earned, computed to a date to be established pursuant to regulations issued by the Commissioner.

"(b) The Commissioner is hereby authorized to borrow from the Treasury from time to time such amounts as the Commissioner shall determine are necessary to make payments in cash (in lieu of issuing debentures) pursuant to the provisions of this section. Notes or other obligations issued by the Commissioner under this section shall be subject to such terms and conditions as the Secretary of the Treasury may prescribe. Each sum borrowed pursuant to the provisions of this subsection shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations."

CHANGES IN FHA INSURANCE BENEFITS AND SIMPLIFICATION OF PAYMENT PROCEDURES

SEC. 803. (a) Section 204 of the National Housing Act is amended by—

(1) striking out in the third sentence of subsection (a) the words "insurance on the mortgaged property, and any mortgage insurance premiums paid after either of such dates" and inserting in lieu thereof the following: "charges for the administration, operation, maintenance and repair of community-owned property or the maintenance and repair of the mortgaged property, the obligation for which arises out of a covenant filed for record and approved by the Commissioner prior to the insurance of the mortgage, insurance on the mortgaged property, and any mortgage insurance premiums";

(2) inserting after the second proviso of subsection (a) two additional provisos as follows: "*And provided further*, That with respect to a mortgage accepted for insurance pursuant to a commitment issued on or after the effective date of the Housing and Community Development Act of 1964, the Commissioner may include in debentures or in the cash payment an amount not to exceed the foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner: *And provided further*, That with respect to a mortgage accepted for insurance pursuant to a commitment issued prior to the effective date of the Housing and Community Development Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures or in the cash payment, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee:"

(3) striking out "and the payment of insurance premiums" in the third proviso in subsection (a) and inserting the following at the end of that proviso preceding the colon: "or where claim is paid in cash pursuant to the provisions of section 220, 221, or 233 of this Act, there shall be included in the cash payment an amount equivalent to the compensation for loss of debenture interest that would be included in computing debentures if the claim were being paid in debentures";

(4) striking out "\$50" in the second sentence of subsection (c) and inserting in lieu thereof "\$350";

(5) striking out in the second sentence of subsection (d) ", except that debentures issued pursuant to the provisions of section 220(f), section 221(g), and section 233 may be dated as of the date the mortgage is assigned (or the property is conveyed) to the Commissioner, and" and inserting in lieu thereof ": *Provided*, That debentures issued pursuant to claims for insurance filed on or after the effective date of the Housing and Community Development Act of 1964 shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures";

(6) adding at the end of subsection (e) the following new sentence: "With respect to a mortgage accepted for insurance pursuant to a commitment issued on or after the effective date of the Housing and Community Development Act of 1964, the provisions of this subsection shall not be applicable and a certificate of claim shall not be issued.";

(7) amending the first unnumbered paragraph of subsection (f) to read as follows:

"(f)(1) If, after deducting (in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound accounting practice) the expenses incurred by the Commissioner, the net amount realized from any property conveyed to the Commissioner under this section and the claims assigned therewith exceeds the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be divided as follows:";

(8) redesignating paragraph (1) of subsection (f) as (i) and striking out "207; and" at the end of the paragraph and inserting in lieu thereof the following: "207: *Provided*, That on and after the effective date of the Housing and Community Development Act of 1964, any excess remaining after payment to the holder of the full amount of the certificate of claim, together with the accrued interest increment thereon, shall be retained by the Commissioner and credited to the applicable insurance fund; and";

(9) redesignating paragraph (2) of subsection (f) as (ii); and

(10) designating the second unnumbered paragraph of subsection (f) as (2) and inserting the following preceding the period at the end thereof: ": *Provided*, That the settlement authority created by the Housing Amendments of 1955 shall be terminated with respect to any certificates of claim outstanding as of the effective date of the Housing and Community Development Act of 1964.

"(3) With the consent of the holder thereof, the Commissioner is authorized, without awaiting the final liquidation of the Commissioner's interest in the property, to settle any certificate of claim issued pursuant to subsection (e) with respect to which settlement had not been effected prior to the effective date of the Housing and Community Development Act of 1964, by making payment in cash to the holder thereof of such amount not exceeding the face amount of the certificate of claim, together with the accrued interest thereon, as the Commissioner may consider appropriate: *Provided*, That in any case where the certificate of claim is settled in accordance with the provisions of this paragraph, any amounts realized after the effective date of the Housing and Community Development Act of 1964, in the liquidation of the Commissioner's interest in the property, shall be retained by the Commissioner and credited to the applicable insurance fund".

(b) Section 207(g) of the National Housing Act is amended by adding the following at the end thereof: "Notwithstanding any other provisions of this Act, upon receipt, after the effective date of the Housing and Community Development Act of 1964, of an application for insurance benefits on a mortgage insured under this section, the Commissioner may terminate the mortgagee's obligation to pay premium charges on the mortgage."

(3) Sections 203(k), 220(f)(3), 220(h)(6), 221(g)(3), and 233(g) of the National Housing Act are each amended by adding the following sentence at the end thereof: "If the insurance payment is made in cash, there shall be added to such payment an amount equivalent to the interest which the debentures would have earned, computed to a date to be established pursuant to regulations issued by the Commissioner."

(d) Section 604 of the National Housing Act is amended by—

(1) inserting after the first proviso in subsection (a) an additional proviso as follows: "And *provided further*, That with respect to any debentures

issued on or after the effective date of the Housing and Community Development Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee:";

(2) striking out "\$50" in the second sentence of subsection (c) and inserting in lieu thereof "\$350";

(3) striking out "default, and" in the second sentence of subsection (d) and inserting in lieu thereof the following: "default, except that debentures issued pursuant to claims for insurance filed on or after the effective date of the Housing and Community Development Act of 1964, shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures";

(4) amending the first unnumbered paragraph of subsection (f) to read as follows:

"(f) (1) If, after deducting (in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound accounting practice) the expenses incurred by the Commissioner, the net amount realized from any property conveyed to the Commissioner under this section and the claims assigned therewith exceeds the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be divided as follows:";

(5) redesignating paragraph (1) of subsection (f) as (i) and striking out "property; and" at the end of the paragraph and inserting in lieu thereof the following: "property: *Provided*, That on and after the effective date of the Housing and Community Development Act of 1964, any excess remaining after payment to the holder of the full amount of the certificate of claim shall be retained by the Commissioner and credited to the War Housing Insurance Fund; and";

(6) redesignating paragraph (2) of subsection (f) as (ii); and

(7) designating the second unnumbered paragraph of subsection (f) as (2) and inserting the following preceding the period at the end thereof: "*Provided*, That the settlement authority created by the Housing Amendments of 1955 shall be terminated with respect to any certificate of claim outstanding as of the effective date of the Housing and Community Development Act of 1964.

"(3) With the consent of the holder thereof, the Commissioner is authorized to settle, without awaiting the final liquidation of the Commissioner's interest in the property, any certificate of claim issued pursuant to subsection (e) with respect to which a settlement had not been effected prior to the effective date of the Housing and Community Development Act of 1964, by making payment in cash to the holder thereof of such amount, not exceeding the face amount of the certificate of claim, together with the accrued interest increment thereon, as the Commissioner may consider appropriate: *Provided*, That in any case where the certificate of claim is settled in accordance with the provisions of this paragraph, any amounts realized after the effective date of the Housing and Community Development Act of 1964, in the liquidation of the Commissioner's interest in the property, shall be retained by the Commissioner and credited to the applicable insurance fund."

(e) Section 904 of the National Housing Act is amended by—

(1) inserting after the first proviso in subsection (a) an additional proviso as follows: "*And provided further*, That with respect to any debentures issued on or after the effective date of the Housing and Community Development Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee:";

(2) striking out "\$50" in the second sentence of subsection (c) and inserting in lieu thereof "\$350"; and

(3) striking out "default: and" in the second sentence of subsection (d) and inserting in lieu thereof the following: "default, except that debentures

issued pursuant to claims for insurance filed on or after the effective date of the Housing and Community Development Act of 1964 shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures".

REHABILITATION IN URBAN RENEWAL AREAS

SEC. 804. Section 220 of the National Housing Act is amended by—

(1) striking out the colon and the second proviso preceding the semicolon at the end of clause (i) in subsection (d) (3) (A) ;

(2) striking out clause (ii) in subsection (d) (3) (A) and inserting in lieu thereof the following :

"(ii) in a case where the mortgagor is not the occupant of the property and the mortgagor intends to hold the property for rental purposes, have a principal obligation in an amount not to exceed (1) the amount available to a mortgagor who is the occupant of the property computed under the provisions of clause (i), nor (2) 90 per centum of the Commissioner's estimate of the replacement cost, nor (3) 90 per centum of the sum referred to in the proviso in clause (i) ;

"(iii) in a case where the mortgagor is not the occupant of the property and intends to hold the property for the purpose of sale, have a principal obligation in an amount not to exceed 85 per centum of the amount computed under the provisions of clause (i), or in the alternative, an amount computed under the provisions of clause (i) if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness ; and

"(iv) in no case involving refinancing, have a principal obligation in an amount exceeding the sum of the estimated cost of repair and rehabilitation and the amount (as determined by the Commissioner) required to refinance existing indebtedness secured by the property or project and any existing indebtedness incurred in connection with improving, repairing or rehabilitating the property ; or".

FHA SECTION 221 HOUSING FOR LOW- OR MODERATE-INCOME ELDERLY PERSONS

SEC. 805. Section 221(c) of the National Housing Act is amended by adding at the end thereof the following sentence : "Any person 62 years of age or over may be construed to be a family within the meaning of the terms 'family' or 'families' as those terms are used in this section 221."

MORTGAGE INSURANCE FOR SERVICEMEN

SEC. 806. Section 222(b) of the National Housing Act is amended by—

(1) striking out in paragraph (1) "203(b) or 203(i)" and inserting in lieu thereof "203(b), 203(i), or 221(d) (2)," ; and

(2) striking out in paragraph (2) "such principal obligation shall not exceed \$9,000." and inserting in lieu thereof "or section 221(d) (2) such principal obligation shall not exceed the maximum limits prescribed for these sections."

PRIVATE FINANCING OF SALE OF FHA-ACQUIRED PROPERTIES

SEC. 807. Section 223(c) of the National Housing Act is amended by striking out "limitation upon eligibility contained in this title II" and inserting in lieu thereof the following : "limitations or requirements contained in title II upon the eligibility of the mortgage, the payment of insurance premiums, or upon the terms and conditions of insurance settlement and the benefits of the insurance to be included in such settlement."

MORTGAGE INSURANCE FOR CONDOMINIUMS

SEC. 808. (a) Section 234 of the National Housing Act is amended by—

(1) striking out the heading and inserting in lieu thereof "MORTGAGE INSURANCE FOR CONDOMINIUMS" ;

(2) striking out "structure" each place it appears in this section and inserting in lieu thereof "project";

(3) striking out in subsection (b) "the term 'mortgage' for the purposes of this section" and inserting in lieu thereof "the term 'mortgage' for the purposes of subsection (c)";

(4) striking out in subsection (c) "this section" each time it appears and inserting in lieu thereof "this subsection";

(5) striking out in subsection (c) "section 213" each time it appears and inserting in lieu thereof "section 213(a) (1) and (2)";

(6) striking out the third sentence of subsection (c) and inserting in lieu thereof the following: "To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed \$30,000, and not to exceed the sum of (i) 97 per centum of \$15,000 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of \$15,000 but not in excess of \$20,000, and (iii) 75 per centum of such value in excess of \$20,000, and (B) have a maturity satisfactory to the Commissioner, but not to exceed, in any event, thirty-five years from the date of the beginning of amortization of the mortgage or three-fourths of the Commissioner's estimate of the remaining economic life of the project, whichever is the lesser."

(7) adding the following new subsections (d), (e), and (f):

"(d) In addition to individual mortgages insured under subsection (c) of this section, the Commissioner is authorized, in his discretion and under such terms and conditions as he may prescribe, to insure blanket mortgages (including advances on such mortgages during construction) which cover multifamily projects to be constructed or rehabilitated, and held by a mortgagor, approved by the Commissioner, which—

"(1) has certified to the Commissioner, as a condition of obtaining the insurance of a blanket mortgage under this subsection, that upon completion of the multifamily project covered by such mortgage it intends to commit the ownership of the multifamily project to a plan of family unit ownership, under which each family unit would be eligible for individual mortgage insurance under subsection (c) of this section and will faithfully and diligently make and carry out all reasonable efforts to establish such plan of family unit ownership and to sell such family units to purchasers approved by the Commissioner; and

"(2) shall be regulated or restricted by the Commissioner as to rents, charges, capital structure, rate of return, and methods of operation until the termination of all obligations of the Commissioner under the insurance and during such further period of time as the Commissioner shall be the owner, holder or reinsurer of the mortgage. The Commissioner may make such contracts with and acquire, for not to exceed \$100, such stock or interest in such mortgagor as he may deem necessary to render effective the regulation and restriction of such mortgagor. The stock or interest acquired by the Commissioner shall be paid for out of the Apartment Unit Insurance Fund, and shall be redeemed by the mortgagor at par at any time upon the request of the Commissioner after the termination of all obligations of the Commissioner under the insurance.

"(e) To be eligible for insurance, a blanket mortgage on any multifamily property or project of a mortgagor of the character described in subsection (d) of this section shall involve a principal obligation in an amount—

"(1) not to exceed \$20,000,000, or not to exceed \$25,000,000, if the mortgage is executed by a mortgagor regulated or supervised under Federal or State laws or by political subdivisions of States or agencies thereof, as to rents, charges, and methods of operation;

"(2) not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the project when the proposed physical improvements are completed;

"(3) not to exceed, for such part of the project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$2,500 per room (or \$9,000 per family unit if the number of rooms in the project is less than four per family unit): *Provided*, That as to projects to consist of elevator-type structures, the Commissioner may, in his discretion, increase the dollar amount limitation of \$2,500 per room to not to exceed \$3,000 per room and the dollar amount limitation of \$9,000

per family unit to not to exceed \$9,400 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design, except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed \$1,250 per room without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require; and

"(4) not to exceed an amount equal to the sum of the unit mortgage amounts determined under the provisions of subsection (c) assuming the mortgagor to be the owner and occupant of each family unit.

"(f) Any blanket mortgage insured under subsection (d) of this section shall provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed $5\frac{1}{4}$ per centum per annum, on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the blanket mortgage upon such terms and conditions as he may prescribe and the blanket mortgage may provide for such release. The property or project covered by the blanket mortgage may include five or more family units and such commercial and community facilities as the Commissioner deems adequate to serve the occupants.";

(8) redesignating subsection (d) as (g), striking out "this section" each time it appears therein and inserting in lieu thereof "subsection (c) of this section", and striking out therein "section 204(f) (1)" and inserting in lieu thereof "section 204(f) (1) (i)";

(9) inserting the following new subsection (h) :

"(h) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall be applicable to mortgages insured under subsection (d) of this section, except that all references to the Housing Insurance Fund, or Housing Fund, shall be construed to refer to the Apartment Unit Insurance Fund.";

(10) redesignating subsection (e) as (i) ; and

(11) redesignating subsection (f) as (j) and amending the subsection to read as follows :

"(j) The provisions of sections 225 and 230 shall be applicable to the mortgages insured under subsection (c) of this section."

(b) Section 212(a) of said Act is amended by adding at the end thereof "The provisions of this section shall also apply to the insurance of any mortgage under section 234(d)."

(c) Section 227(a) of said Act is amended by striking out "or (vii)" and inserting in lieu thereof "(vii)", and by adding at the end thereof preceding the semicolon ", or (viii) under section 234(d)".

TRANSFER OF FUNDS

SEC. 809. Section 219 of the National Housing Act is amended by inserting "the General Surplus Account of the Mutual Mortgage Insurance Fund," after "the Title I Housing Insurance Fund,".

TITLE IX—MISCELLANEOUS

FNMA—REMOVAL OF \$20,000 MORTGAGE AMOUNT LIMITATION

SEC. 901. Section 302(b) of the Federal National Mortgage Association Charter Act is amended by—

(1) striking out "any mortgage" in clause (3) and inserting in lieu thereof "any mortgage under section 305"; and

(2) striking out the colon and the proviso preceding the period in clause (3).

FNMA—NINETY PERCENT LOANS

SEC. 902. Section 304(a) (2) of the Federal National Mortgage Association Charter Act is amended by striking out "80 per centum" and inserting in lieu thereof "90 per centum".

FNMA—PURCHASE OF PARTICIPATIONS

SEC. 903. Section 304(d) of the Federal National Mortgage Association Charter Act is hereby repealed.

OPEN-SPACE PROGRAM—GRANT AUTHORIZATION

SEC. 904. Section 702(b) of the Housing Act of 1961 is amended by adding the following at the end thereof: "There are also authorized to be appropriated, after the date of enactment of the Housing and Community Development Act of 1964, such amounts for additional grants as may be necessary to carry out the purposes of this title. All funds so appropriated shall remain available until expended."

HOUSING FOR THE ELDERLY—LOAN AUTHORIZATION

SEC. 905. Section 202(a)(4) of the Housing Act of 1959 is amended by striking out "not to exceed \$275,000,000" and inserting in lieu thereof "such sums as may be necessary to carry out the provisions of this section,".

SECTION-BY-SECTION ANALYSIS OF "HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1964"

Section 1. Short title

"Housing and Community Development Act of 1964."

TITLE I—NEW AIDS FOR DISPLACED FAMILIES AND BUSINESSES, AND ELDERLY IN URBAN RENEWAL AREAS

Section 101. Relocation payments to displaced persons and businesses

This section would authorize additional relocation payments to certain individuals, families, and business concerns displaced from an urban renewal area. These payments are made by local public agencies which are reimbursed by the Housing Administrator from urban renewal grant funds.

At present, an individual or family displaced from an urban renewal area may be paid reasonable and necessary moving expenses and any actual direct losses of property, but in no event more than \$200. Business concerns and nonprofit organizations displaced from an urban renewal area may be paid reasonable and necessary moving expenses and any actual direct losses of property (except goodwill or profit), but in no event more than \$3,000, or the total certified actual moving expenses (which under Housing Agency regulations are permitted to be compensated up to \$25,000).

This section retains these existing relocation provisions and consolidates them with new provisions which authorize additional payments to certain displaced business concerns, individuals, and families.

Increased relocation payments to small business concerns

To proprietors of displaced small business concerns (those with average annual net earnings before taxes of less than \$10,000 per year), this section would authorize the payment of \$1,000 when the business concern is displaced from the urban renewal area. An additional \$1,500 could be paid to the proprietor of such a business concern if it has not been reestablished within 1 year and if the proprietor has not received any relocation payment for moving expenses or any actual direct losses of property.

These payments would be available only to those small displaced business concerns which (1) were doing business in a location in the urban renewal area on the date the locality approved the urban renewal plan, (2) were displaced on or after the date of introduction of this bill, and (3) are individual businesses independently owned as distinguished from separate units in a chain-store operation.

These additional payments are designed primarily to assist and benefit small businesses which are far less able than large concerns to adjust to a new environment and compete with larger or more modern enterprises. Even those small business concerns which are able to reopen suffer substantial losses which are not presently compensated. Often there is a period of time required for them to reestablish operations, and often the cost of doing business is substantially

higher in the new location. For some time after their displacement, such small business concerns suffer a loss in volume of sales while their operating expenses are greater than they were in the location in the urban renewal area.

The initial \$1,000 payment for each such small business concern would help compensate it for the losses it sustains because of its displacement. The additional \$1,500 payment would go to the small business that still has not been reestablished 1 year after its displacement from the urban renewal area. This \$1,500 is essentially a severance payment to compensate for the closing of the business as a result of its displacement.

Increased relocation payments to families and elderly individuals

To each displaced low- or moderate-income family or elderly individual (62 or over), this section would authorize monthly payments (for up to 24 months) of an amount which, when added to 20 percent of his income, would equal the average rent being charged in the community for a decent, safe, and sanitary dwelling of modest standards adequate in size to accommodate such displaced family or individual. To qualify for these monthly payments, the displaced families and elderly individuals would have to have incomes within the income limits established for eligibility to occupy rental housing financed under the special FHA below-market interest rate program of mortgage insurance for housing for moderate-income families (sec. 221(d)(3)).

The amount of the monthly payment such displaced families and elderly individuals could receive would be computed by determining the average annual rental, required for a decent, safe, and sanitary dwelling of modest standards—deducting from this amount 20 percent of the annual income of the displaced family or individual—and dividing by 12. For example, if the average annual rental for a decent, safe, and sanitary dwelling adequate in size to accommodate the displaced individual or family is \$840, and the income of the displaced individual or family is \$3,000 per year, the displaced individual or family could receive \$20 a month.

However, the monthly payment could not exceed the estimated proportionate amount, attributable to a dwelling unit of comparable size, in the fixed annual contribution for the most recently constructed low-rent housing project assisted under the United States Housing Act of 1937 in the same locality or the nearest locality of comparable size and in which there exists comparable cost levels. In addition, payments under this provision would be made only to such otherwise eligible families and individuals for whom no public housing is available.

In many cases, families and elderly individuals displaced from an urban renewal area and rehoused in decent, safe, and sanitary housing must increase the amount of money they spend for housing to an unduly high proportion of their income. It is a legitimate cost of urban renewal to assist these people to accommodate themselves to their greater housing costs.

It is expected that by the end of the 2-year period, during which monthly payments are made to these displaced individuals and families, several things would have occurred. There should be a sizable increase in the supply of standard low-income and medium-income housing. Many of the families involved will have increased their incomes and thereby augmented their rent-paying ability. And, finally, the payments for 2 years will provide help during a transitional period during which families can make an adjustment, with a minimum of hardship, to the new scale for housing expenditures.

Other provisions

Other provisions of this section would (1) authorize the Administrator to establish appropriate rules and regulations to carry out the relocation payment provisions, (2) make clear that displaced families and elderly individuals who receive monthly relocation payments retain any preference or priority they otherwise would have for admission to public housing or special FHA-insured housing for moderate-income families (sec. 221), and (3) authorize relocation grants to be made in connection with a project for which no capital grant contract is necessary.

Section 102. Rehabilitation assistance to elderly homeowners in urban renewal areas

New provisions for rehabilitation of homes of the elderly in urban renewal areas would be added to the 1961 act FHA home improvement loan insurance provisions. These new provisions are designed to further assist elderly persons of low and moderate income to finance the rehabilitation of their homes and to

avoid their displacement by urban renewal when their homes can be improved to meet the standards prescribed for the area by the urban renewal plan.

Under the new provisions these elderly owner-occupants of one- and two-family homes in urban renewal areas could obtain FHA-insured home improvement loans bearing below-market interest rates with repayment of principal deferred until the death of the borrower or the surviving spouse, or the transfer of title to the property by the borrower. Presently the interest rate could be as low as 3% percent per annum.

A below-market interest rate loan would be available only if the borrower is 62 years of age or over, and qualifies as a low- or moderate-income person or family in accordance with regulations prescribed by the Commissioner. It is contemplated that initially at least the income of the borrower could not exceed the income limit established by FHA for admission to any FHA section 221(d)(3) below-market rental housing in the locality. If the borrower (and the surviving spouse) should die or transfer title to the property, any outstanding balance of the loan would become due and payable immediately. The below-market loan would be made only if the property to be improved, after improvement with the proceeds of the loan, will meet the standards prescribed by the urban renewal plan.

The amount of a below-market interest rate loan could not exceed the present limitations on home improvement loans, so that it would be limited to \$10,000 per dwelling unit.

The principal repayment of the loan could be deferred only if the loan creates a total outstanding indebtedness which does not exceed 75 percent of the sum of the cost of the rehabilitation and the estimated value of the property before rehabilitation. The 75-percent limitation on a loan providing for deferred payment would provide a margin of safety, since the value of the property would be expected to decline during the deferral period while the outstanding balance of the loan would remain constant.

The below-market interest rate loans would be secured in such manner as may be required by the Commissioner.

The mortgage insurance premium could be waived for the below-market loans and FNMA special assistance would be provided under FNMA's existing special assistance program.

In addition to these loan provisions, the regular mortgage insurance provisions of the section 220 urban renewal housing program would be changed to afford similar advantages in cases of refinancing to cover existing mortgage debt and rehabilitation costs of these elderly persons, up to a total of \$10,000. This refinancing would be subject to the same limitations explained above with respect to loans.

There is no doubt of the desirability of increasing rehabilitation in urban renewal areas. More extensive use of rehabilitation could reduce the costs of urban renewal and the burden of relocation which is necessary in clearance projects. The elderly in particular find it difficult to make the adjustment of having to move.

Elderly persons in urban renewal areas generally have limited fixed incomes, and increases in housing costs create a more severe financial strain than is generally true for other owners. They must have liberal financing if they are to be able to make needed home improvements. Significantly lower monthly payments would be possible for financing rehabilitation under the proposed deferred principal repayment plan at the 3%-percent rate of interest. For example the monthly payment on a 20-year \$5,000 rehabilitation loan at 3% percent would be \$14.06 if the principal repayment was deferred. This is \$21.70 less than under the most liberal financing now available. Payments at 3% percent without the deferment of principal would be \$7.06 per month less than the lowest payments available under existing programs.

An administrative regulation would be adopted prohibiting these liberal financing terms from being used to refinance an existing mortgage without substantial improvement of the property with the proceeds of the mortgage loan.

TITLE II—MORTGAGE INSURANCE PROGRAMS

Section 201. Land development

This section would add a new title X to the National Housing Act which would authorize FHA mortgage insurance to assist in financing the cost of land development (1) for residential and related uses in new subdivisions, and (2) for developing sites for entirely new communities.

During the next 10 years, new homes will be required for 15 to 20 million families. The purpose of the new title X is to help assure that sites are available for these homes at reasonable prices and in communities which avoid the wasteful sprawl and disorganization of much recent urban development. Through adequate planning, home buyers can receive the benefit of good design and the economies of adequate facilities for the community.

The program that would be established under this title would make FHA mortgage insurance available to assist in assembling and improving the land and installing the various facilities that are required in order to prepare subdivision sites for residential and related uses on a well-planned and coordinated basis. As part of the same land development program, mortgage insurance would be provided to assist in assembling the land and preparing sites for complete new communities. These communities, to be located in areas now largely undeveloped, would be so situated and planned as to better assure (1) the efficient use of public facilities, (2) the conservation of land resources, (3) well-balanced economic development, and (4) the provision of housing suitable for families of varying income levels and housing needs.

Those living in subdivisions developed with assistance under this program would benefit both from decreased site development costs and higher standards in subdivision design, area planning, and the provision of community facilities. Those living in new communities could receive even greater benefits. Public facilities for such communities could be planned and built on a broader scale, with resulting additional savings. There could also be greater opportunities for providing a balanced range of types and prices of housing, for minimizing travel time and costs through the coordinated location of residential, commercial, and industrial sites, and for planning the various amenities that will create convenient and satisfying places to live and work.

Under the new title X, the Federal Housing Commissioner would be authorized to insure mortgages (including advances) covering the costs both of acquiring land and of land development, up to specified maximum limits and percentages. "Land development" for this purpose would include grading; installing roads, streets, water and sewerage systems, curbs, gutters, and sidewalks; and providing the other facilities and structures needed in order to prepare sites for construction of the housing, commercial buildings, and other improvements of a well-planned subdivision or well-planned urban community. Other basic statutory provisions under which the new program would be carried on are as follows:

1. *Conditions applicable to all mortgages.*—Section 1003 of the new title X would prescribe eligibility requirements that would be applicable to insured mortgages covering any form of land development, whether for the preparation of subdivision or new community sites.

Under this section, a mortgage would have to be executed by a mortgagor approved by the Commissioner. The mortgage would also have to cover the land and improvements; bear interest at a rate not in excess of 6 percent, exclusive of insurance premiums and approved fees and charges; and have a maturity and contain repayment provisions satisfactory to the Commissioner.

Other provisions of section 1003 would allow for release of parcels from the lien of the insured mortgage as they are developed and sold, and for subordination of the mortgage lien to the lien of another mortgage in certain cases where this may be necessary in financing residential construction on the site. No mortgage could be insured unless the property or project represented an acceptable risk.

Other basic requirements would be that the improvements comply both with applicable local governmental requirements and minimum standards of the Commissioner and that the land development be in accordance with a comprehensive plan or comprehensive planning for the area which meets criteria established by the Housing and Home Finance Administrator. The land development also would have to be carried on with a view to assuring that the land will be available for residential and related, or new community, uses within the shortest reasonable period consistent with the objectives of sound economic growth and urban development. In addition, any subdivision or new community would have to be served by public water and sewerage systems wherever these were feasible.

2. *Special conditions for land development for new communities.*—Section 1004 of the new title X would prescribe the special terms and conditions for the insurance of mortgages to assist in land development for new communities.

Under this section, the mortgage amount generally could not exceed the lesser of (1) 75 percent of the estimated value of the security on completion of land development or (2) the sum of 75 percent of the estimated value of the land

before development and 75 percent of the estimated cost of developing the land. These limits would be modified in the case of major transmission lines and related water and sewer plants where these are not provided by a public body. For such facilities, the maximum would be the sum of 75 percent of the estimated value of the land before development and 90 percent of the estimated cost of providing such lines and plants. In no case, however, could the sum of all mortgages insured under the new title X with respect to any one new community exceed \$50 million.

No mortgage to assist in the establishment of a new community could be insured unless the site had been approved by the appropriate governmental unit or units. The land development would have to be in accordance with a plan approved by the Housing and Home Finance Administrator. This approval would be given where there is reasonable assurance that the community will be well-planned (1) to meet the housing needs of various kinds of families, including lower income and elderly families, (2) to establish sound land-use patterns, (3) to encourage efficient use of areawide facilities and the provision of adequate municipal and public services, and (4) to promote economic growth and employment opportunities. In addition to the plan itself, assurances that local governing bodies are prepared to cooperate in carrying out the plan would also be required.

3. *Land development for subdivisions.*—Section 1005 of the new title X would prescribe the special terms and conditions for insuring mortgages to assist in the provision of well-planned subdivision sites that are not part of, or involved in, the establishment of a new community.

Under this section, the maximum mortgage would be \$2,500,000. The mortgage could not exceed the lesser of (1) 75 percent of the estimated value of the security on completion of the development of the site, or (2) the sum of 50 percent of the estimated value of the land before development and 90 percent of the estimated cost of developing the land. In addition, it would be required that the development to be in accordance with a plan reasonably assuring that the land will become part of a well-planned neighborhood which will have a long economic life; will be protected against undesirable traffic patterns and other adverse physical conditions; and will be served by adequate school, playground, shopping, and recreational facilities.

4. *Other provisions.*—Other provisions of the new title X would create a new FHA land development insurance fund and provide for establishment of reasonable insurance premiums and plan analysis, appraisal, and inspection fees. The Commissioner would be required to report to the Congress on or before January 1, 1968, concerning the level of these premiums and charges and future requirements. As a necessary safeguard against abuses, cost certification requirements would also be included which would assure that the outstanding balances of loans which could be insured under the new title will be appropriately limited to reflect the actual costs of development and the release of parcels after completion of land development. A variation from these requirements could be authorized by the Commissioner, subject to specified limits, for a temporary period where necessary to enable the mortgagor to give priority to the development of land for use in providing housing for low- and moderate-income families.

Section 202. Conforming amendments

Subsection (a) of this section would include reference to the new land development insurance fund in the list of mortgage insurance accounts among which the Commissioner has discretion to transfer funds.

Subsection (b) of this section would amend the labor standards provisions of the National Housing Act to make them applicable to work performed by laborers and mechanics employed in land development receiving financial assistance under the proposed new title X program.

Part (1) of subsection (c) of this section would amend the Federal National Mortgage Association Charter Act with respect to new community mortgages (but not other land development mortgages) to be insured under the new title X program, to make inapplicable the present statutory dollar ceilings on mortgage amounts per family residence or dwelling unit.

Part (2) of subsection (c) would amend the definition of "mortgages" in the FNMA Charter Act to make it clear that the "home mortgages" referred to in the statement of purposes and elsewhere in that act include the proposed new land development mortgages as well as all other mortgages insured under the National Housing Act.

Subsection (d) of this section would amend the Federal Reserve Act to permit national banking associations to make loans secured by mortgages which are insured under the proposed new title X.

Subsection (e) of this section would amend the Home Owners' Loan Act of 1933 to permit Federal savings and loan associations to invest in such loans to the extent permitted under Federal Home Loan Bank Board regulations.

Section 203. Additional relief for home mortgagors in default due to circumstances beyond their control

The existing provisions of the National Housing Act which permit relief (forbearance) to home mortgagors whose payments on FHA-insured mortgages are in default due to circumstances beyond their control would be amended to (1) permit additional relief to the mortgagors, and (2) make lenders more willing to extend forbearance to mortgagors who are in default rather than proceeding to immediate foreclosure. In addition, the provisions of the act for payment of insurance claims on mortgages in default would be simplified and liberalized by other provisions in the bill. These amendments would also encourage forbearance by lenders.

Under the amendments in this section—

(1) Lenders would be permitted to recast or reamortize the mortgages and extend their maturities. Under the proposal, the recasting of the mortgage could include all amounts due under the mortgage including delinquent interest. Under existing law, the FHA does not have authority to permit a mortgagee to recast delinquent interest. Also, under existing law the maturity of a mortgage cannot be extended except where the mortgage term is less than the maximum term of the mortgage permitted by the law.

(2) Where a lender mortgagee has entered into a forbearance agreement in a case of default, FHA would be authorized to agree to include in the debentures issued to pay insurance benefits, if the default finally results in foreclosure, the interest on all of the mortgage payments which had become due and unpaid prior to foreclosure. Under the present law the mortgage interest unpaid prior to the time the lender agrees to extend forbearance relief cannot be taken into consideration in computing the insurance payment. The amendment would assure lenders who grant forbearance with the approval of the Commissioner, that they would be insured against loss of interest on the mortgage payments in default prior to the forbearance agreement. This would prevent immediate foreclosure in cases of default by the lenders who are unwilling to risk loss of this amount of interest.

(3) The Federal Housing Commissioner's authority to accept assignment of a mortgage from a lender in order to avoid foreclosure by the lender would be clarified and broadened as follows:

(a) The law would be made clear that the Commissioner could accept assignment even though the lender had previously granted forbearance relief to the mortgagor. The wording of the existing law does not indicate clearly that an assignment can be accepted by the Commissioner after the mortgagee has entered into a forbearance arrangement which has been approved by the FHA.

(b) The Commissioner would be authorized to include in insurance payments such costs and attorneys fees as the Commissioner finds are properly incurred by the lender in the assignment of the mortgage. Under the present law a mortgage may be assigned in exchange for debentures. The debentures cover the unpaid principal balance of the mortgage, accrued interest, and any advances made by the lender under the provisions of the mortgage. There is no provision, however, for including in the debentures attorneys fees and court costs that may be involved in assignment of a mortgage. The proposed amendment would encourage mortgagees to assign home mortgages in default in hardship cases rather than foreclosing and applying immediately for insurance benefits.

Section 204. FHA correction of substantial defects in mortgaged homes

This section would enable the FHA to extend aid to distressed homeowners who, after relying upon FHA construction standards and inspections, find structural or other major defects in their properties purchased with FHA-insured loans. FHA could correct the defects, pay the homeowner's claim on account of the defects, or acquire the property. The authority would be available for new homes purchased under mortgages insured by FHA not more than 3 years prior to the enactment of the amendment. Requests for relief would be required to be received by the Commissioner not later than 4 years after insurance of

the mortgage, or such shorter times as the Commissioner may prescribe for particular types of defects.

Although the cases covered by the provisions are isolated and few in number, there are situations in which faulty inspections or mistakes in judgment result in serious deficiencies in the properties and affect their livability. In most instances the builders can be persuaded to correct the deficiencies during the first year following the completion of construction while the builder's warranty remains effective. This is usually the method of dealing with the problem.

The proposed authority would enable the FHA to deal with situations, sometimes described as "horror cases" where the builder is no longer in existence, has no assets, or refuses to cooperate. It would also afford relief in the case of properties more than 1 year old where the deficiencies in the properties, such as the failure of septic tanks to function, make them uninhabitable or unfit for occupancy.

In a typical case of the kind to be covered by the provisions the family owning the home defaults in mortgage payments and the property, after being acquired by the FHA under the provisions of the mortgage insurance contract, is repaired and sold on the open market. Thus, the FHA bears the expense of correcting the defects in the property but only after the original homeowners have been displaced and lost their equities.

In a similar field of activity, the FHA has for a number of years provided limited guarantees or warranties against defects in properties acquired and sold by the Commissioner. The cost of performing under such guarantees or warranties has been relatively small and claims from home purchasers have not been excessive. Under the proposal, the FHA could give similar protection to families purchasing homes in reliance upon FHA construction standards and inspections. The cost of administration would be kept to a minimum by making decisions of the Federal Housing Commissioner final and conclusive without resort to the courts.

Section 205. Home improvement loans for homes outside of urban renewal areas

Changes would be made in the 1961 act home improvement loan insurance program of FHA for homes outside of urban renewal areas in order to make it more workable and more acceptable to lenders. The requirement that the Commissioner shall find that the property with respect to which a loan is executed is "economically sound" would be removed. A new, more liberal requirement would be substituted under which the Commissioner must find that the property is an "acceptable risk."

The program would also be made more attractive by the insertion of authority to the Federal Housing Commissioner to pay insurance benefits in cash in cases of defaults. Under the existing law the insurance benefits must be paid in 10-year debentures. The cash payment amendment would make the program more attractive to lenders. One reason lenders have given for not making this type of home improvement loan is that the debentures issued under the program can only be used to pay insurance premiums in connection with this type of loan. This makes the debentures less liquid than debentures issued under other programs which can be used for mortgage insurance premiums in larger volume.

Section 206. Mortgage limits for homes

The dollar limit on the amount of a home mortgage which can be insured by FHA under its regular section 203 home mortgage insurance program would be increased from \$25,000 to \$30,000 in the case of a one-family home; from \$27,500 to \$32,500 in the case of a two- or three-family home; and from \$35,000 to \$37,500 in the case of a four-family home.

The increase in the limit on the amount of a section 203 home mortgage is made necessary by the higher average cost of homebuilding and the increasing number of families who desire larger or better homes than they can now purchase with FHA-insured mortgages. The proposed new dollar limits would also be more consistent with limits on loans made by Federal savings and loan associations who can make home loans in amounts up to \$35,000 per single-family dwelling.

Under the present law, the \$25,000 limit on the amount of a home mortgage makes an FHA-insured mortgage unavailable to many home purchasers, particularly those in high-cost areas and large families. They cannot purchase a home suitable for their needs with a \$25,000 mortgage. A home can also be purchased with a lower downpayment when an FHA-insured mortgage is used than when the home is purchased with conventional financing.

Purchase of a home with an FHA-insured mortgage provides certain desirable protections. It assures the home purchaser that a newly constructed home has been constructed in accordance with minimum property requirements of FHA and that there has been FHA inspection during construction. In the case of a purchase of an existing home the home must also meet certain FHA standards. The home purchaser therefore is assured, when purchasing a home with an FHA-insured mortgage, that the home is well constructed, that it is in an acceptable area. The purchaser is also informed of the value of the property and therefore is better advised as to what would be a reasonable price to pay.

The dollar limit on the amount of a mortgage which can be insured under the section 203(i) program for low-cost housing in outlying areas would be increased from \$9,000 to \$11,000. This increase is also prompted by higher construction costs.

In addition, the Commissioner would be authorized to insure a mortgage under section 203(i) where the housing is to be used by the mortgagor for vacation purposes if he finds that the property is an acceptable risk, and if the amount of the mortgage does not exceed 90 percent of the value of the property.

TITLE III—URBAN RENEWAL AND GROWTH

Section 301. Loan contract for two or more projects

This section would permit the Housing and Home Finance Administrator to enter into a single loan contract with a local public agency to provide the temporary financing necessary to carry out any two or more urban renewal projects being undertaken by it at any one time. The amount of the loan authority in the contract would not exceed at any one time the estimated expenditures to be made by the local public agency for the projects then covered by the loan.

Since the inception of the urban renewal program, temporary financing of projects has been handled on the basis of treating each project as an individual financial undertaking. In multiple project cities, authority is lacking to consolidate borrowed funds in order to use excess funds obtained for one project for the purpose of meeting expenditures incurred by another. This section would provide such authority.

The assets of the projects in the locality brought under the single loan contract would serve as security for the loan under this single contract. However, the rights and obligations of the United States and the local public agency with respect to each project would continue to be set forth in a capital grant contract for the project.

Section 302. General neighborhood renewal plans

This section would permit a general neighborhood renewal plan to be prepared for urban renewal areas together with any adjoining area or areas having specially related problems. It would eliminate the present requirement that the whole area covered by the GNRP be an urban renewal area, but it would not make eligible for urban renewal project activities any areas not presently eligible. It would also ease the present requirement that all urban renewal projects in the urban renewal area covered by the GNRP be completed in 10 years. The amendment would require that all such projects be initiated in that time.

Under present legislative language, all parts of a general neighborhood renewal plan area must be slum or blighted, deteriorated, or deteriorating, to the same degree as is required before an urban renewal project can be undertaken in the area. To permit unified planning of total neighborhoods, this section would authorize a general neighborhood renewal plan area to include subareas which are not in themselves so blighted or deteriorated as to require urban renewal.

The present language in title I describing a general neighborhood renewal plan states that, "urban renewal activities therein may have to be carried out in stages * * * over an estimated period of not more than 10 years." This amendment would remove the requirement that all urban renewal activities in the area covered by the general neighborhood renewal plan be "carried out" within 10 years and specify that they must be initiated in that time.

Section 303. Increased capital grants for redevelopment areas

This amendment would make the benefits of three-fourths, rather than the usual two-thirds, capital grants available to any community with a population of 150,000 or less which is situated in an area designated as a redevelopment area under the Area Redevelopment Act.

At present, three-fourths, rather than the usual two-thirds, capital grants may be made to communities with a population of 50,000 or less (150,000 or less in

the case of a community situated in an area designated as a redevelopment area under the second sentence of section 5(a) of the Area Redevelopment Act).

When the Area Redevelopment Act was enacted it was assumed that all urban areas eligible for designation as redevelopment areas would be so designated under section 5(a) of the act. It was assumed that designation as a redevelopment area under section 5(b) of the act would be used for very small communities and rural areas for which unemployment data were not readily available. However, the Area Redevelopment Administration has determined administratively that only areas having a labor force of 15,000 or more persons shall be designated as redevelopment areas under section 5(a). As a result, a number of areas truly urban in nature, and with a population between 50,000 and 150,000 have been designated as redevelopment areas under section 5(b) of the Area Redevelopment Act.

By virtue of being designated under section 5(b) rather than section 5(a), these areas are ineligible for the three-fourths capital grants available to other areas designated under section 5(a). This is inequitable. This section would, therefore, provide all communities with a population of 150,000 or less, which are designated as redevelopment areas, the benefits of the three-fourths capital grant provisions.

Section 304. Capital grant authorization

This section would increase the aggregate amounts of obligational authority for urban renewal grants available to the Administrator from the present \$4 billion to \$5.4 billion. The new \$1.4 billion authority would permit the maintenance, over a period of approximately 2 years, of a reasonable level of program activity.

All currently available capital grant authority will be obligated or reserved before June 30, 1964.

Section 305. Feasible method for relocation of individuals

This section would require local public agencies to assure that there will be available adequate housing for individuals as well as families displaced from an urban renewal area.

Since the inception of the urban renewal program, the relocation requirement has been limited to families. To ameliorate the problems single persons face when they are threatened by displacement through urban renewal activities, the legislative requirement on the availability of decent, safe, and sanitary housing would be extended to all single persons.

However, in order not to disrupt clearance or rehabilitation in projects already planned on the basis of existing housing resources available to families alone, the requirement as to individuals would become effective for all projects which receive Federal recognition subsequent to the effective date of this act.

Section 306. Disposal of land for low- and moderate-income housing

Subsection (a) of this section would permit single persons as well as families to occupy housing constructed on property in an urban renewal area sold by a local public agency at its fair value for use in the provision of new or rehabilitated rental or cooperative housing for moderate-income families.

Subsection (b) would provide a new method of determining the fair value of property in an urban renewal area made available to local housing agencies undertaking low-rent housing projects.

At present, land in an urban renewal area to be used for low-rent housing projects may be sold to the local housing agency involved at a price equal to the fair value of the land for private rental housing having physical characteristics similar to the proposed low-rent housing. Subsection (b) of this section would permit real property (including land and structures) to be made available at the same price as real property made available for the provision of moderate-income housing under subsection (a) of this section. This would result in a uniform sales price for such property whether sold for use for public housing or for moderate-income housing.

Section 307. Increase in nonresidential exception

This section would permit 35 instead of 30 percent of urban renewal grant authority to be used for areas which are not predominantly residential in character and which will be redeveloped or rehabilitated for uses which are not predominantly residential.

Originally, the Housing Act of 1949 made no provision for such exceptions. A 10-percent exception to the "predominantly residential" requirements was put

into the Housing Act of 1954, this was raised to 20 percent in the Housing Act of 1959 and 30 percent in the Housing Act of 1961. This section would increase the exception to 35 percent. The 30 percent of grant authority available for non-residential projects is now being fully utilized and is no longer adequate to meet the known demand for additional nonresidential projects.

Section 308. Amendment of definition of "going Federal rate"

Under present law, whenever it is necessary to increase the amount of an urban renewal contract for loan or advance, this additional amount must bear interest at no less than the "going Federal rate" in effect at the time the amendment to the contract is authorized.

This requirement has resulted in some projects having loans or advances outstanding with as many as five or six increments, each bearing a different interest rate. This has caused difficult administrative problems in accounting.

These problems would be done away with by this section. It would require the Housing and Home Finance Administrator to set a single interest rate (based on the "going Federal rate" on the date of the authorization of the contract) for all urban renewal contracts for loan or advance authorized after the effective date of the Housing and Community Development Act of 1964. This rate would be applicable not only to the amount originally authorized, but also to any additional amounts authorized by subsequent amendments to the contract.

Under present law and procedures the interest rate on the amount authorized by each contract and by each amendment to a contract is subject to redetermination approximately 5 to 5½ years after each individual authorization. While the interest rate may be increased if at the time of redetermination the "going Federal rate" has increased, it may not be reduced.

This section would require the Administrator to provide in contracts for loan or advance for periodic revision of the interest rate. The revised interest rate would be based on the "going Federal rate" in effect on the date of the revision and would be applicable to any additional sums provided by future amendments to the contract, as well as to the balance then outstanding.

This section would also require the Administrator to establish a single interest rate (and provide for a periodic revision of the rate) on any contract for loan or advance authorized prior to the effective date of the Housing and Community Development Act of 1964 at the time of the first amendment to such contract. The single interest rate, which would be applicable to the balance then outstanding on such contracts and sums provided by future amendments, would be based on the going Federal rate in effect on the date of the authorization of the amendment to such contract.

Section 309. Urban renewal demonstration program

This section would increase the amount available for grants in the urban renewal demonstration grant program, carried on under section 314 of the Housing Act of 1954. This would be done by increasing, from \$5 million to \$10 million, the limit on the use of urban renewal grants for that purpose. The section would make program funds available to pay for 100 percent of the cost of writing and publishing reports (including summaries and other informational material) on demonstration projects and similar undertakings. "Publishing" would include associated activities such as editing, layout, and typesetting as well as actual printing and distribution. The work could be undertaken by the public body carrying out a project or directly by the Administrator.

At present, at least one-third of the cost of activities carried out under the section 314 demonstration program must be paid for by the public body. However, preparing and distributing reports on such activities are primarily of national rather than local benefit. Public bodies have been especially reluctant to expend their funds for any reprinting of program reports, with the result that several which are still in demand are out of print. The proposed authority for the Administrator to make available reports on similar undertakings not financed under section 314 would help him to meet one of the major needs of the urban renewal program—wider dissemination among the local public agencies of information about new techniques and ideas which can help them to improve their programs.

The present \$5 million for the program is expected to be completely committed by the end of this fiscal year.

Section 310. Urban and regional planning grants

This section would make various amendments to the program of urban planning grants carried on under the Housing Act of 1954, as follows:

Subsection (a). Planning grants to groups of adjacent communities

This subsection would permit a grant to be made for planning assistance to any group of adjacent communities of less than 50,000 total population and having common or related urban planning problems, whether or not "resulting from rapid urbanization," as now specified in the statute. Experience has shown that there are groups of communities with declining, stable, or only normally increasing population which are in need of comprehensive planning assistance. There is no such rapid urbanization requirement in the case of grants for planning assistance to municipalities and counties of less than 50,000 population.

Subsection (b). Grants for local planning by metropolitan and regional planning bodies

This subsection would permit metropolitan and regional planning agencies to receive grants for the provision of planning assistance to certain small communities and Indian reservations when the State planning agency or Governor assents. Generally, these areas may now only receive planning assistance through a State planning agency, acting directly or through a contract with a metropolitan or regional planning agency. The availability of direct planning assistance from the metropolitan or regional planning agency would permit closer coordination between planning for such smaller areas and overall metropolitan or regional planning.

Subsection (c). Planning grants in section 5(b) redevelopment areas

This subsection would permit planning assistance, without regard to the otherwise applicable 50,000 population limitation, to all municipalities and counties in redevelopment areas designated under section 5 of the Area Redevelopment Act, rather than just those in areas designated under section 5(a). Since both section 5(a) and section 5(b) areas are economically depressed areas and would benefit from comprehensive planning, there appears to be no basis for not providing them equal treatment.

Subsection (d). Three-fourths grants for planning within redevelopment areas

This subsection would permit three-fourths grants to be made for planning being carried out for a municipality, county, group of adjacent communities, or Indian reservation located in any redevelopment area. At present the higher grant is authorized only for planning being carried out for municipalities and counties in redevelopment areas designated under section 5(a) of the Area Redevelopment Act.

Section 311. Planning grant authorization

This section would remove the dollar limit on the authorization for appropriation of funds for section 701 planning grants. It is estimated that the present \$75 million authorization will be exhausted shortly after the beginning of the next fiscal year. Additional funds would still, of course, be made available only through appropriations.

Section 312. Planning grants for new communities

This section would authorize planning grants to official governmental planning agencies for the preparation of plans for new communities as defined in the new land development mortgage insurance program to be authorized by section 201 of this bill. Under this provision financial assistance could be provided for the preparation of a comprehensive development plan for a new community, setting forth such matters as the transportation network; the location of schools, open space, and other community facilities and utilities; and the location and density of residential areas, including the type and price range of housing in such areas.

Planning work in connection with the preliminary approval of a proposed new community location by a local planning body may already be assisted with section 701 grants, where such planning is included as a part of a comprehensive planning program for the area where the community is to be located.

Section 313. Planning grants for Indian reservations

Subsection (a) of this section would authorize section 701 grants to be made to State planning agencies for the provision of planning assistance to Indian

reservations. Where no State agency is so empowered, it would authorize such grants to a qualified tribal council or other tribal body designated by the Secretary of the Interior. The amendment was developed jointly with the Bureau of Indian Affairs.

Subsection (b) of this section would make conforming changes in section 701(d) by adding "Indian reservations" to the list of areas where comprehensive planning is to be encouraged through section 701 grants; and by adding "Indian tribal bodies" to the list of local public bodies to which the Administrator may provide technical assistance in connection with comprehensive planning.

The amendment proposed above in section 310(d) of this bill would authorize three-fourths grants for planning for Indian reservations, where the reservation is located within a redevelopment area. As of April 1, 1963, there were 52 such reservations.

Although Indian tribes on reservations are in fact units of local government, they do not qualify for assistance under the various types of local political subdivisions which may now receive assistance under section 701, either directly or through State planning bodies. Moreover, it is doubtful whether some State planning agencies are authorized to assist Indian tribes, because of their special Federal status.

TITLE IV—HOUSING FOR LOW-INCOME FAMILIES

Section 401. Eligibility of displaced individuals

This section would make single low-income person displacees eligible for admission to low-rent housing regardless of age or disability status. It also includes several purely technical changes which would add to the United States Housing Act of 1937 a definition of displaced families consistent with present statutory references and correct a reference to a now repealed provision of the Social Security Act.

Those displaced by urban renewal and other governmental programs often include individuals who, because they are neither elderly nor disabled, are presently ineligible for public housing. The amendment would permit local housing authorities to offer accommodations to these single persons where they are otherwise eligible for admission. It would thus facilitate the solution of particular displacement problems in a number of communities and assist in carrying out the provisions of sections 305 and 406 of the bill requiring that suitable accommodations be available or made available to individuals, as well as families, when they are displaced from urban renewal and low-rent housing sites.

Section 402. Additional subsidy for urban renewal and low-rent housing displacees

This section would enhance the capacity of local housing authorities to respond to displacement problems by admitting greater numbers of very low-income displacees than is now possible. For this purpose, it would authorize a special subsidy, similar to the present special subsidy for the elderly, of up to \$120 per dwelling per year where a dwelling unit is occupied by an eligible displaced family.

Displaced families for purposes of this amendment would include those displaced after January 27, 1964, by an urban renewal or low-rent housing project. Since such a family would have to occupy the status of a displaced family at the time of admission, it would also be necessary that its displacement occur within a reasonable period (such as 3 years) prior to the time it is admitted. Where a dwelling unit is occupied by a displaced elderly family, no payment would be made with respect to that unit under the amendment and the only payment, if any, that could be made would be under the existing special subsidy for the elderly.

The new payment would be made, generally, on the same terms and conditions as now govern the additional payment for the elderly. It would, accordingly, be paid only as necessary to permit the local authority to lease the unit to the displaced family at a rental it could afford and to operate the project on a solvent basis. Because there are substantial variations among the incomes of displaced families admitted to public housing, and because it is only those with exceptionally low incomes who pose a special problem, it would also be required that the unit be leased at a rental which is below that (as determined on the basis of average or estimated average project rentals) which would have been established had the unit been leased to another family which was neither elderly nor similarly displaced.

Section 403. Certification of equivalent elimination

This section would permit acceptance of certifications by local governing bodies that they have complied with the equivalent elimination requirements of the United States Housing Act of 1937.

Under the act, where a low-rent housing project is undertaken in a locality, the local governing body must enter into an agreement providing for the elimination, within 5 years, of a number of substandard dwelling units equivalent to the new low-rent housing units included in the project. Extensions of the 5-year period for elimination can be granted where there is an acute shortage of decent low-income housing in the community. Administration of this provision now involves direct Federal supervision over the carrying out of the equivalent elimination agreement, even though the act provides no specific penalties for noncompliance.

The pace of federally aided programs and State and local activities having an elimination impact is such that compliance with the equivalent elimination requirement poses no problem of a magnitude which requires direct Federal control or supervision. By expressly permitting acceptance of local certifications, the amendment would accordingly eliminate unnecessary administrative processing and expense in a manner consistent with the principle of vesting greater responsibility in local governmental agencies wherever such action is feasible and consistent with basic Federal interests in the program.

Section 404. Acquisition and lease of existing housing

This section would authorize a special annual contributions formula to permit local housing authorities to make greater use of the existing housing supply through the purchase, purchase and rehabilitation, or lease of privately owned units, including FHA- and VA-acquired housing, which are available on the local market and suitable for low-rent housing purposes. These new types of units would supplement the regular low-rent housing program which in the past has relied almost exclusively upon the construction of new housing designed for very long periods of use.

Local housing authorities under existing law have the power to acquire structures now standing and to use them for low-rent housing, with or without rehabilitation. However, a more extensive use of such authority, or use of existing power to secure units under appropriate lease arrangements, is impossible without a modification in the Federal annual contributions formula. Such changes in the law are necessary (1) to permit the use of housing over shorter periods of time than is now required and (2) to establish appropriate limitations that will assure that the use of such housing is economically justifiable.

The present annual contributions formula establishes a maximum contribution in terms of a specified percentage (the "going Federal rate" plus 2 percent) of the acquisition and development cost of a project. Under this formula, use can only be made of housing whose economic life extends over a sufficient period to allow the amortization of the capital cost at the statutory rate. The formula was designed for new construction of long-term tenure, and the established practice has been to require a 40-year amortization period for all types of projects, whether they involve new construction or acquisitions. Such a period is too long to permit utilization of many kinds of existing housing that may be suitable for low-rent housing or the leasing of units desirable for relatively short-term use.

The amendment would authorize an alternative formula for the acquisition and use of existing housing. Under this formula, the annual contribution for an acquired or leased project could be fixed, as a maximum, at the same amount as would be established as the annual contribution for a new low-rent housing project consisting of units designed for the same number, types, and sizes of families. Because it is not stated in terms of a specific percentage of capital cost, the formula would permit the acquisition, or acquisition and rehabilitation, of structures for use over whatever period may be appropriate considering the condition and nature of the property, as well as the leasing of units for short-term use in meeting particular needs.

The new formula is intended to promote economies in the use of such housing through its requirement that the annual Federal contribution could never exceed the fixed contribution that would be established in providing the same number and types of units in a new project. Where a project is acquired for use over a substantially shorter period than is required for units in the regular program, this would mean that the capital cost would have to be reduced according to the reduction in amortization period, since the maximum contribution available to

amortize that cost could be no greater than the annual contribution which would amortize the cost of a comparable newly constructed project over a much longer period. The same limitation on the dollar amount of the annual contribution would apply to leased units, and would operate to preclude the excessive rentals that might otherwise result from efforts to secure housing for lease in a housing market where vacancies are low.

Use of existing housing cannot be considered as a substitute for new construction of units which are designed for the specific purpose of meeting long-term community needs and which add to the total supply of permanent housing appropriate for low-rent use. Moreover, the use of existing housing will largely be restricted to communities and times where there exists a relative surplus of housing units. Accordingly, new construction necessarily must remain as the basic method of carrying out the objectives of the low-rent housing program, supplemented, however, by the additional types of housing that could be made available under the new formula.

Section 405. Increase in authorization for annual contributions

This section would increase the limit on contracts for annual contributions in the amount necessary to authorize some 60,000 additional units of low-rent housing in each of the next 4 fiscal years. This figure includes units, estimated at an average of 25,000 for each of these years, that could be provided through the acquisition and lease of existing structures, as would be made possible by the revised annual contributions formula which would be authorized for this purpose under section 404 of this title.

The authorization for 100,000 additional units of low-rent public housing contained in the Housing Act of 1961 has now been exhausted. There remain, however, about 7½ million families in the United States who had incomes of less than \$2,500 in 1962, and of these a disproportionate number now live in substandard housing. There are more than 6 million other families, also often inadequately housed, with incomes of between \$2,500 and \$4,000. Included among these low-income families are many of the elderly and disabled, minority group families, families who have been displaced from their homes through governmental action or who face the prospect of such displacement in the near future, and many larger families.

The new authorization that would be provided in this section would allow action to be taken in meeting the housing needs of low-income families under two different approaches. Thus, the authorization would permit contracts for new construction at a contemplated annual figure of 35,000 units that would be consistent with the annual rate at which units are now being placed under contract. In addition, it would permit a second, supplementary approach based on the use of the existing housing supply. In view of the sizable number of privately owned homes (including FHA- and VA-acquired homes) which are now available for purchase, and the number of units, often of 4 or more rooms, now available for rental, it is estimated that the units covered under this approach would include, each year, some 15,000 units to be provided through purchase and rehabilitation and approximately 10,000 additional units to be provided under lease.

Section 406. Relocation of families and individuals displaced from project sites

This section would establish for the low-rent housing program the same basic requirements for relocating displaced families and individuals as those which are applicable under the urban renewal program.

Title I of the Housing Act of 1949 has, from the beginning, required that there be a feasible method for the relocation of families displaced from urban renewal areas and that there must be enough decent, safe, and sanitary housing in existence or being provided to meet the needs of displaced families. Under section 305 of the Housing and Community Development Act of 1964 this requirement, now limited to the relocation of families, would be extended to include displaced individuals as well.

The U.S. Housing Act of 1937 contains no similar requirement for relocating families and individuals displaced from the sites used for low-rent housing projects. While the problems of relocation under the public housing program are not comparable in all respects to those often confronted in connection with urban renewal projects, the basic principle is the same in both cases. The amendment would, accordingly, require, as a condition for any contract for annual contributions or loans (other than preliminary loans) in assistance of a low-rent housing project, that the local housing authority demonstrate that there is a feasible method for relocating displaced families and that there are or are being provided,

in the project or other areas not generally less desirable, an adequate number of decent, safe, and sanitary housing units to meet the needs of these displacees. This requirement would be applicable to projects where an application for preliminary loan had not received local approval prior to the effective date of the Housing and Community Development Act of 1964.

Section 407. Relocation payments

This section would amend the U.S. Housing Act of 1937 to provide for relocation payments to families, individuals, businesses, and nonprofit organizations displaced from low-rent housing project sites. These payments would be made on the same basis, and subject to the same limitations, as payments authorized under title I of the Housing Act of 1949 to families, individuals, business concerns, and organizations displaced from urban renewal areas. They would include the new kinds of relocation payments that would be authorized under section 101 of the Housing and Community Development Act of 1964 for business concerns displaced from urban renewal areas, as well as the new payments that would be authorized under that section to assist displaced families and elderly individuals in securing suitable housing.

Relocation payments would be permitted only where they were not otherwise authorized under Federal law, thus precluding any possibility of payments duplicating those already authorized for urban renewal displacees. The cost of these payments could be included with development costs for purposes of computing the amount of annual contributions for any project having a displacement impact. However, this cost would be separately stated as a relocation cost and, following the basic pattern established for urban renewal relocation payments, would be excluded from the annual contributions computation for purposes of determining whether the statutory requirement for a local contribution through tax exemption equal to 20 percent of the Federal contribution has been met.

The U.S. Housing Act of 1937 now contains no provision for relocation payments to those who may be displaced from low-rent housing project sites, even though others similarly situated may receive such payments if they are displaced from an urban renewal site. The amendment would eliminate this disparity in treatment among those who may be displaced under the urban renewal and low-rent housing programs.

Sec. 408. Low income housing demonstration program authorization

This section would increase from \$5 to \$10 million the amount authorized for grants by the Housing and Home Finance Administrator to assist in developing and demonstrating new and improved means of providing housing for low-income persons and families. The grants are made to public or private bodies or agencies under the demonstration program authorized by the Housing Act of 1961. Under this program various aspects of the provision of both new and existing housing can be developed and put into trial use. This includes design, construction methods, land planning, form of tenure, and financing methods. The authorization under the existing program will be exhausted by June 30, 1964.

There are many new innovations, particularly in the construction area, that are worth testing under the present program. These include the use of prefabricated components, lightweight structural panels and mass rehabilitation techniques. In addition, it is proposed to test new types of dwellings designed for the handicapped.

TITLE V—RURAL HOUSING LOANS AND GRANTS

Section 501. Extension of senior citizens rental housing

This section would extend through fiscal 1968 the present authorization, which expires June 30, 1964, for the Secretary of Agriculture to insure market rate loans to provide rental housing for the elderly in rural areas.

Section 502. Insured rural housing loans

Subsection (a) of this section would amend section 502(a) of the Housing Act of 1949 to change the maximum interest rate on section 502 direct loans from 4 to 5 percent per annum and to give the Secretary of Agriculture express authority to require fees and charges on loans made or insured under title V of the act.

Subsection (b) of this section would add to the act new sections 516 and 517. The proposed new section 516(a) would provide for insured section 502 loans. Such loans to nonfarm rural tract owners of low or moderate income and to farmowners would be limited in each case to an amount necessary for adequate housing modest in size, design, and cost and in the aggregate to \$300 million per

fiscal year. For insured section 502 loans to other owners of nonfarm rural tracts the Secretary would be authorized to establish interest rates and insurance or service charges not exceeding the maximum rates specified in section 203 of the National Housing Act.

The proposed new section 516(a) would also authorize utilizing the insurance fund and authority provided in new sections 516 and 517 for domestic farm labor housing loans under section 514 and elderly rental housing loans under section 515(b), which now utilize the agricultural credit insurance fund established by section 309(a) of the Consolidated Farmers Home Administration Act of 1961.

The proposed new section 516(b) would authorize use of the insurance fund created by new section 517(a) to make loans for sale to insured investors and would limit the aggregate of such loans held unsold in the fund at any time to a maximum of \$100 million.

Under the proposed new section 516(c) the Secretary could insure the timely payment of principal and interest on loans advanced by other lenders and on loans made out of the insurance fund and sold. The section expressly provides that a contract of loan insurance shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder has actual knowledge. The Secretary would be authorized to take liens in favor of the United States as security even though the borrowers' notes are held by insured lenders. Insured notes would be assignable, and the insurance would follow the notes upon notice given to and acknowledged by the Secretary.

The proposed new section 516(d) would terminate the present authorization to use the agricultural credit insurance fund and procedures for making new insured loans for domestic farm labor housing and senior citizens' rental housing. The termination would become effective at the end of a 90-day transitional period following capitalization of the new rural housing insurance fund, pursuant to an appropriation act, in order to avoid interrupting the processing of insured loans for these purposes.

The proposed new section 517 of the act would create the rural housing insurance fund, to be used as a revolving fund for the purposes of sections 516 and 517, and would authorize necessary appropriations for the purpose of the fund. Money in the fund not needed for current operations would be deposited in the Treasury or invested in direct obligations of or obligations guaranteed by the United States.

Section 516 insured loans held by the Secretary and all related security would become part of the fund. Loans could be held in the fund or sold insured or uninsured. The Secretary could enter into loan servicing agreements. When necessary for liquidation or servicing of any loan, he could purchase it from the holder. The Secretary would be authorized to sell loans at prices within the range of market prices for comparable loans of the same or similar classes. The net amount of losses from sales of loans at discounted prices, including any fees or charges paid for the sales, would have to be reimbursed to the fund annually by appropriation.

The Secretary of Agriculture would be authorized to issue notes to the Secretary of the Treasury to obtain funds to meet the obligations of loan insurance contracts under section 516 and make other expenditures from the fund as authorized, but not to provide the initial or any additional capital for making loans out of the fund or to restore net losses from discount sales of loans. Interest rates on the notes would be fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States with comparable maturities. The Secretary of the Treasury would be authorized to engage in public debt transactions for the purchase, redemption, and sale of the notes, which upon issuance by the Secretary of Agriculture would become obligations of the fund.

The Secretary would have authority to withhold prepayments (other than final payments) made by borrowers and remit only scheduled installments to the holder as due. The fund could be used to pay interest differentials resulting from deferred remittance of prepayments; to pay an insured lender defaulted installments or, at the Secretary's option, to purchase the note; to pay taxes, insurance, prior liens, and other protection and enforcement advances and expenses; to acquire security in liquidation; and to pay any fees and charges necessarily incidental to the sale of loans.

Section 503. FNMA secondary market operations for rural housing insured loans

This section of the bill would authorize the Federal National Mortgage Association to extend its secondary market operations to include loans insured by the Secretary of Agriculture under title V of the Housing Act of 1949.

Subsection (a) would amend section 302(b) of the Federal National Mortgage Association Charter Act to include loans insured under title V of the Housing Act of 1949 among the loans in which the Association is authorized to deal; to permit the Association to purchase a loan insured under title V of the Housing Act of 1949 even though it is offered by, or covers property held by, a State, territorial, or municipal instrumentality; and to include mortgages or other loans insured under title V of the Housing Act of 1949 in the term "mortgages" as used in the Federal National Mortgage Association Charter Act.

Subsection (b) would amend section 303(b) of such act to include other than private, as well as private, sellers and borrowers among those required to make contributions to the Association's capital surplus account in connection with its secondary market operations.

Section 504. Loans and grants to domestic farm laborers for essential dwelling repairs

This section would amend section 504(a) of the Housing Act of 1949 to authorize loans and grants not over \$1,000 to domestic farm laborers for essential repairs and improvements to rural dwellings which they occupy but do not own. The Secretary of Agriculture would prescribe terms and conditions to assure that the major benefits would accrue to the laborer-occupants and their families rather than to the owners of the dwellings. The loans and grants would be limited to domestic farm laborers who are citizens.

Section 505. Definition of domestic farm labor

This section would broaden the meaning of the term "domestic farm labor" so that housing financed with section 514 insured loans could be occupied not only by farm laborers who were citizens but also by noncitizen farm laborers who were residing in this country after having legally entered for the purpose of establishing permanent residence. The new definition would also apply, by cross-reference in the amendments proposed in section 506 of the bill, to housing financed with assistance provided pursuant to that section. It would not apply to the section 504(a) loans and grants that would be authorized by section 504 of the bill.

Section 506. Low-rent housing for domestic farm labor

This section would add to title V of the Housing Act of 1949 a new section 518 to authorize grants to any nonprofit organization, or nonprofit association of domestic farm labor, to assist in providing housing and related facilities for domestic farm labor as defined in section 514 of the act. The grant assistance could not exceed two-thirds of the total development cost less any amount the Secretary determined could practicably be obtained from other sources, including an insured loan under section 514 of the act. As required by the Secretary, the applicant would have to agree (a) not to charge rentals exceeding amounts approved by the Secretary, and (b) to maintain the housing in a safe and sanitary condition, and (c) to give domestic farm labor absolute priority for occupancy of the housing.

Laborers and mechanics employed on housing financed under this section would be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor, in accordance with the Davis-Bacon Act. The Secretary of Agriculture could, however, waive these labor standards where laborers or mechanics not otherwise employed on the project voluntarily donate their services without compensation for the purpose of lowering construction costs.

Appropriations would be authorized not to exceed \$75 million for financial assistance under this section through June 30, 1968.

Section 507. Conforming amendments

Subsection (a) of this section would extend the construction standards and technical services provisions of section 506(a) of the Housing Act of 1949 to operations under the new sections that would be added to the act by the bill.

Subsection (b) would limit the insured farm labor housing loans under section 514 of the Housing Act of 1949 to private nonprofit associations.

TITLE VI—COMMUNITY FACILITIES

Section 601. Public facility loans

Subsection (a) of this section would make clear that instrumentalities of one or more States and instrumentalities of municipalities or other political subdivisions in one or more States are not precluded from receiving assistance under the public facility loans program if otherwise eligible.

Paragraph 1 of subsection (b) of this section would make eligible for a public facility loan any community having a population less than 150,000 and which has been designated as a redevelopment area under section 5 of the Area Redevelopment Act.

At present a public facility loan may be made only to communities having a population of less than 50,000 (150,000 in the case of a community situated in an area designated as a redevelopment area under section 5(a) of the Area Redevelopment Act). Under the present statutory language a public facility loan may not be made to a community with a population more than 50,000 but less than 150,000 even if it is situated in a redevelopment area if that area is designated under section 5(b) rather than 5(a) of the Area Redevelopment Act.

By virtue of being designated under section 5(b) rather than under section 5(a), 17 counties and one Indian tribe (each having a population in excess of 50,000 but under 150,000) are ineligible to receive financial assistance under the public facility loans program which is available to similar areas designated under section 5(a). This is inequitable. This section would, therefore, make all communities with a population of less than 150,000 which are designated as redevelopment areas eligible for financial assistance under the public facility loans program.

Paragraph (2) of subsection (b) of this section would make financial assistance under the public facility loans program available to any public agency or instrumentality serving one or more municipalities, political subdivisions or unincorporated areas in one or more States without regard to the aggregate population of the communities which it is serving, so long as each of these communities is within the existing population limits of the program.

At present, a public agency or instrumentality is not eligible for a public facility loan if the public work or facility it seeks to construct will serve two or more separate communities, each having a population less than the statutory population limit but a combined population in excess of the statutory limit. A public work or facility used by two or more contiguous communities, either in the same or adjoining States, is often more efficient to plan, build, and operate than separate facilities built and operated by each community.

Paragraph (3) of subsection (b) of this section would make the existing population limits in the public facility loans program inapplicable to financial assistance extended to municipalities, political subdivisions, or other areas which will experience substantial population growth and are constructing public works or facilities in accordance with the comprehensively planned development of the area in which they are located and with sufficient capacity to serve expected future growth. In addition, this paragraph would make the existing population limits inapplicable to financial assistance extended to finance the construction of public works or facilities in connection with a new community under title X of the National Housing Act.

Section 602. Advance acquisition of land

This section would authorize the Housing and Home Finance Administrator to extend financial assistance to communities to finance the acquisition of open or predominantly undeveloped land planned to be utilized in connection with the future construction of public works and facilities. No loan could be made to finance the acquisition of such land unless the public work or facility for which the land is to be utilized is planned to be constructed within a reasonable period of time and construction of the public work or facility will contribute to economy, efficiency, and the comprehensively planned development of the area.

Loans could be provided to purchase the land outright or to acquire some lesser interest, such as an easement, right-of-way, air rights, development rights, or options. The loan could cover the total cost of acquiring the interest in land including necessary expenditures incidental to the acquisition of the interest acquired in the land. The maximum maturity of a loan made under this section would be 15 years and, while the Administrator would be authorized to postpone the payment of principal and interest on a loan, the

entire principal and interest would have to be repaid within the maximum 15-year period. The great majority of loans would be for a substantially shorter period than 15 years, and every loan would be required to be repaid no later than the time that construction is begun on the public work or facility for which the land is acquired. Generally, the land for which the loan is made would be needed for a public work or facility already slated to be constructed and provided for in the community's capital improvement program or budget covering the next 5 or 6 years. To receive assistance under this section, a community would have to be engaged in comprehensive planning appropriate to its size and location.

These loans would have to be reasonably secured and bear interest at the rate now prescribed by the statutory formula in the public facility loans program (currently $3\frac{1}{8}$ percent). Any interest deferred would accrue and be compounded semiannually.

Section 603. Growth capacity loans

This section would authorize the Housing and Home Finance Administrator to defer the payment of principal and interest and extend the maximum maturity on financial assistance extended under the public facility loans program. The Administrator could defer principal and interest and extend the maximum maturity of financial assistance whenever he determines that the public work or facility to be constructed will serve an area which will experience substantial population growth, will be needed as the result of such growth, and will contribute to economy, efficiency, and the comprehensively planned development of the area.

Payment of any principal and interest on such financial assistance could be deferred for up to 10 years after the year during which the financial assistance was extended. Any interest deferred would accrue and be compounded semiannually. All financial assistance extended would have to be repaid within 50 years. To receive assistance under this section, a community would have to be engaged in comprehensive planning appropriate to its size and location.

The Administrator would be authorized to accept a second lien as security for financial assistance extended under this section whenever he finds such action necessary or desirable to encourage financial participation by private lenders.

The provisions of this section are designed to make available financing on reasonable terms for sewer and water facilities, and similar public works, with sufficient capacity to serve the longer run needs of rapidly expanding communities and urban regions. This would permit the basic parts of a system, such as trunklines and reservoirs, to be of such design and size as to permit economic expansion of services as required by expected growth in the area.

The section is designed to help meet a special problem of growing communities in the provision of public facilities. While it may be clearly apparent that there will be rapid population growth in the years just ahead, the communities' present ability to pay taxes and service charges makes it difficult or impossible for them to provide now for any needs beyond the immediate future. This often results in the provision of small, inefficient facilities which have to be torn up within a few years if the expanding area is to receive good service at reasonable cost. Another result is the wasteful installation of individual wells and septic tanks in immediately surrounding areas because the basic capacity of the public systems does not permit extension of service. The homeowner then faces a double cost when population and economic growth requires public service.

Private investors would generally provide financing for most of the total cost of the public work or facility to be assisted under this section. In most rapidly growing areas, private loans on reasonable terms are available for amounts which can be amortized from revenues at levels which are expected within 2 or 3 years. Thus, financial assistance under this program usually would have to be provided only for so much of the cost of the public work or facility as represented investment in longer term growth capacity for basic parts of the facility. Security for such financial assistance may have to be a second lien if private investors are to finance a substantial part of total cost.

Loans made under this section would, however, be sound loans since the Administrator would be required to determine that the entire public work or facility (including the growth capacity) will be needed by the growing community. In addition, the existing statutory requirement in the public facility loans program,

that there be reasonable assurance of repayment of the Federal financial assistance extended, would apply to assistance extended under this section.

Section 604. Advances for public works planning

Subsection (a) of this section would require all repayments and other receipts received in connection with advances made under the first or second advance planning programs to be made into the revolving fund established for the third advance planning program. This subsection would also remove the existing dollar limitation on the size of this revolving fund and authorize such additional funds to be appropriated to the fund as may be necessary to carry out the planning advance program.

Subsection (b) would (1) permit a public agency which constructs only a part of a public work planned with an advance under the first or second as well as the third advance planning programs to repay only that proportionate amount of the advance as the Administrator determines to be equitable; (2) authorize the Administrator to terminate all or a portion of the liability for repayment of any advance made under the first, second, or third advance planning programs upon terms and conditions he deems equitable; and (3) authorize the Administrator to terminate any agreement for an advance under the first, second, or third advance planning programs whenever he determines that there is no reasonable likelihood that the public work planned will be constructed.

Under existing law, repayments and other receipts in connection with the first program of advances for public works planning (authorized by title V of the War Mobilization and Reconversion Act of 1944) or the second advance planning program (authorized by the act of October 13, 1949) are presently made into the revolving fund for liquidating programs established by title II of the Independent Offices Appropriation Act of 1955. Repayments of advances made under the current planning advance program are made into a revolving fund established by the Housing Act of 1954.

At present, if a public agency constructs any part of a public work planned with an advance under the first or second advance planning programs, the entire amount of the advance must be repaid. Under the third advance program, the public agency in such cases is required to repay only such proportionate amount of the advance as the Administrator determines to be equitable. Paragraph (1) of subsection (b) would remove this inconsistency by extending the provisions in the third program authorizing proportionate repayment of the advance to the first and second advance planning programs.

In some cases the community constructs neither the public work planned with the advance nor any specific portion of the public work planned, but some substantially different public work containing identifiable elements of the public work planned with the advance. Existing law seems to require even in these circumstances that the community repay the entire amount of the planning advance. To avoid the confusion and inequity that has resulted because of this requirement, paragraph (2) of subsection (b) would authorize the Administrator to terminate all or a portion of the liability for repayment of such advances upon such terms and conditions as he deems equitable.

The plans prepared with advances made under the first and second planning advance programs are now largely between 15 and 19 years old. In that period of time there have been great technological changes, tremendous shifts and increases in population, changes in community needs, and other developments, which make it clear that in many cases the public work planned with an advance will never be constructed.

However, the Administrator presently lacks authority to terminate agreements for planning advances even when it is clear that the public work planned will never be constructed. As a result, the Agency is legally required to continue to assume the administrative costs involved in reviewing these outstanding but obsolete plans to ascertain whether construction has or will be undertaken. This is a wasteful requirement.

Paragraph (2) of subsection (b) would, therefore, permit the Administrator to terminate planning advance agreements whenever he determined that there was no reasonable likelihood that the public work, or a portion of the public work, planned with the advance will be constructed. In making this determination the Administrator will consider, among other things, factors such as (1) construction of another public work which makes the public work planned with such an advance no longer necessary or desirable; (2) substantial changes in population, governmental organization, or community needs which make construction of the public work planned with such an advance no longer necessary or de-

sirable; and (3) substantial changes in technology which make construction of the public work planned with such an advance no longer necessary or desirable.

Subsection (c) would make Indian tribes eligible for advances for public works planning authorized by section 702 of the Housing Act of 1954. Eligibility for advances presently is limited to States, municipalities, and other public agencies of States (including regional or metropolitan authorities provided that they have the legal authority to finance and construct the facilities within a reasonable period of time).

Subsection (d) would increase from \$50,000 to \$100,000 the amount available to conduct surveys of the status and current volume of State and local public works planning. The present amount authorized for surveys has permitted only occasional collection of general data on the status and volume of public works planning. It is not sufficient for the analysis of such data, or for the collection of data dealing with the methods used by State and local public agencies in determining their future public works requirements, their plans to meet these requirements, and the degree to which such planning is coordinated among the various communities.

TITLE VII—FEDERAL-STATE TRAINING PROGRAMS

Section 701. Findings and purpose

This section contains congressional findings that the rapid expansion of the Nation's urban areas and urban population has caused severe problems in urban and suburban living and created a national need to (1) provide special training in skills needed for economic and efficient community development and (2) support research in new or improved methods of dealing with community development problems.

The purpose of the title is to assist and encourage the States, in cooperation with public or private universities and colleges and urban centers, to (1) organize, initiate, develop, and expand programs providing special training for technical and professional people who are, or are likely to be, employed by a governmental or public body having responsibilities for community development; and (2) support State and local research on housing programs and needs, public improvement programming, code problems, efficient land uses, and urban transportation and other community development problems.

The rapid growth of urban areas in recent years has brought with it a variety of problems of community development. To help meet these problems a number of State and local federally assisted programs have been begun: for urban renewal, housing, transportation, open space, urban planning, water and sewer services, and highways. Effective execution of these programs requires that professional and technical employees of governmental and public bodies having responsibilities for community development receive special training to enable them to acquire needed skills and keep abreast of new techniques required for an overall approach to urban development problems.

However, less than one-third of local governments carry on any specialized training in urban development problems for professional and technical people they employ. Only a few State governments conduct such training. Nor are local universities presently providing the necessary training. Only a few universities are effectively contributing to the training of such personnel in their regions.

This title would assist and encourage the States to establish the needed training programs, and support necessary State and local research in new or improved methods of dealing with community problems.

Section 702. Matching grants to States

Subsection (a) of this section would authorize the Housing and Home Finance Administrator to make matching grants to States to assist in (1) organizing, initiating, developing, or expanding programs to provide special training, in skills needed for economic and efficient community development, to those technical and professional people who are, or are likely to be, employed by a governmental or public body which has responsibilities for community development; or (2) supporting State and local research on housing programs and needs, public improvement programs, code problems, efficient land use, urban transportation, and similar community development problems.

Subsection (b) of this section would require a State, in order to receive a grant under this title, to secure approval by the Administrator of a State plan which (1) sets forth the proposed use of the funds and the objectives to be accomplished; (2) explains the method by which the matching local funds will

be provided; (3) provides adequate fiscal control and fund accounting procedures; (4) designates the State officer or agency to administer the program; and (5) provides for reports to the Administrator containing such information as he may reasonably require.

Subsection (c) of this section would prohibit any grants authorized by this title to be made to a State unless an amount at least equal to such grant is made available from non-Federal sources for the same purpose and for concurrent use.

Subsection (d) of this section would authorize to be appropriated for grants under this title \$5 million for fiscal year 1965, \$15 million for each of the next 2 fiscal years, and \$25 million for each fiscal year thereafter. Any amount appropriated may, where specified in an appropriations act, remain available until expended, and any amount authorized but not appropriated for any fiscal year may be appropriated for any succeeding fiscal year.

Section 703. Allotment and payment

Subsection (a) of this section would require funds appropriated to be allotted by the Administrator among the States on the basis of the proportion which the urban population of each State bears to the total urban population of the United States. However, no allotment could be less than \$50,000 or more than 12½ percent of the amount appropriated in any fiscal year.

Subsection (b) of this section would permit the amount of any State's allotment not used by a State to be available for reallocation among the States.

Subsection (c) of this section would permit the Administrator to pay to a State the Federal share of expenditures under the State plan in advance or by way of reimbursement.

Subsection (d) of this section would require the Administrator to notify the State officer or agency administering the State plan whenever the Administrator finds that the State plan no longer complies with the requirements of this title or is not being administered in accordance with the provisions of the plan and to suspend payments to the State until the deficiencies in the State plan or its administration are corrected.

Section 704. Technical assistance, studies, and publication of information

This section would authorize the Administrator, in order to carry out the purpose of this title, to provide technical assistance to State and local public bodies and undertake studies and publications and distribute information, either directly or by contract.

Section 705. Miscellaneous

Subsection (a) of this section would, for purposes of this title, define (1) "State" to include the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands; and (2) "Administrator" to mean the Housing and Home Finance Administrator.

Subsection (b) of this section would authorize appropriations for administrative and other expenses in carrying out the title.

TITLE VIII—MORTGAGE INSURANCE PROCEDURAL AMENDMENTS

Section 801. Time limit on FHA recoupment of title I insurance payments

A 2-year statutory limitation would be placed on FHA demands for return by lenders of insurance payments they have received on title I defaulted property improvement loans where claims were certified for payment prior to December 31, 1957. Under existing law a 2-year limit is applicable to claims certified subsequent to December 31, 1957. The amendment would place claims certified for payment prior to December 31, 1957, on the same basis as is now provided for those certified for payment subsequent to that date.

Under the amendment the Federal Housing Commissioner could not require a title I lender to repurchase any title I loan (because of lack of eligibility for insurance) if a period of 2 years has elapsed since the date the lender's claim for loss was paid by the Commissioner, and there is no fraud or misrepresentation on the part of the lender. This provision is already available for insurance claims which were certified for payment after December 31, 1957, but it is not available for the claims certified prior to that date. With respect to the latter loans the possibility of repurchase requires that lenders, in effect, create a contingent reserve, until the lending institution is assured that its payment of claim is final. Two years has proved to be a reasonable period within which FHA may investigate a claim to assure its eligibility and after that period has passed the lender should be entitled to consider the payment of its claim final and incon-

testable unless it can be established that the lender had been guilty of fraud or misrepresentation.

Section 802. Optional cash payment of insurance benefits

This section would authorize the Federal Housing Commissioner, in his discretion, to pay insurance benefits in cash on any insurance claim (filed by a mortgaged on or after the date of enactment of this bill) although the Commissioner has no obligation to pay in cash under the insurance contract. At present, the FHA does not have this general authority, but periodically calls debentures to the extent deemed appropriate.

A cash payment under this new authority would be in an amount equivalent to the face amount of the debentures that would have been issued, plus an amount equivalent to the interest which the debentures would have earned, computed to a date established by the Commissioner. In a case where a mortgagee, under his mortgage insurance contract, is entitled to receive debentures, the mortgagee would receive the insurance payment in debentures rather than in cash if the mortgagee does not want to accept a cash payment. Mortgagees filing insurance claims on mortgages insured under the section 220, 221, or 233 programs (urban renewal housing, low- or moderate-income housing, and experimental housing) subsequent to the Housing Act of 1961 now have in their insurance contracts the right to a cash insurance settlement. For this reason, the Commissioner in these cases would not have an option of refusing to honor the request for cash payment.

The Commissioner would be authorized to borrow from the U.S. Treasury from time to time such amounts as he determines are necessary to make cash payments of insurance benefits under the authority in this section. The Treasury loans would bear interest at a rate determined by the Secretary, taking into consideration the average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the obligations evidencing the loans.

Under present law the authority of the Commissioner to settle insurance claims in cash in lieu of debentures is limited to the section 220, 221 and 233 programs. Under all the other FHA programs the Commissioner is required to settle insurance claims by issuing debentures. In the three programs, he has the option of prescribing by regulation whether the insurance claim is to be settled in cash, in debentures, or in either form of settlement at the option of the mortgagee. The regulations in existence at the time the mortgage or loan is insured govern the rights of the mortgagee with respect to receiving cash or debentures in the insurance settlement; and, once the mortgage has been insured, the Commissioner has no way in which he can legally refuse to settle claims on the basis of the governing regulations. The present regulations governing the section 220, 221, and 233 programs prescribe the payment of insurance benefits in cash unless the mortgagee specifically requests payment in debentures.

Section 803. Changes in FHA insurance benefits and simplification of payment procedures

The provisions in the National Housing Act which govern the payment to mortgage lenders by FHA of insurance claims on mortgages in default would be amended (1) to permit additional items to be included in the benefits paid by FHA, (2) to simplify and make more expeditious the methods and procedures of payment of insurance claims on home mortgages, and (3) to reduce administrative expenses of FHA. Some of these amendments would in addition supplement other provisions in the bill which would encourage lenders to extend forbearance to home mortgagors in default on their mortgage payments due to no fault of their own.

Home mortgages

The following amendments would give the Federal Housing Commissioner discretionary authority to include additional benefits in insurance payments on home mortgages:

1. Amounts advanced by the mortgagee for mortgage insurance premiums prior to the institution of foreclosure for which reimbursement has not been obtained from the mortgagor could be included in the insurance payment. Under present law, debentures issued by FHA as insurance payments can include only insurance premiums paid by the lenders after the institution of foreclosure. This existing provision has the effect of making lenders reluctant to grant forbearance to home mortgagors in default because they will receive no reimbursement for premium payments up until the time of foreclosure if foreclosure becomes necessary.

2. The insurance payment could include reimbursement to a mortgagee for advances on payments for the maintenance and operation of community-owned property, or the maintenance and repair of the mortgaged property, where the obligation arises out of a recorded covenant which was approved by the Commissioner prior to insurance of the mortgage.

There is growing interest in the construction of "cluster type" developments with commonly owned land or facilities usually under the control of a property owners' association. To preserve the property which is security for the mortgage it may be desirable or necessary for a lender to pay charges which the mortgagor was obligated to pay in connection with the community-owned land or facilities or the mortgaged property. Even if the required payment is made a lien on the mortgaged property, the soundness of this type of development may be threatened by the failure of a homeowner whose mortgage is in default to meet his obligations with respect to the property.

Under existing law, when an insurance claim is filed the FHA has no way of reimbursing a mortgagee who has had to make payments of these monthly charges to the property owners' association even though payment was made to protect the property which secured the mortgage. The amendment would permit FHA to include these payments in the insurance payments.

3. Where the insurance settlement is made in cash it could include an allowance to mortgagees equivalent to the debenture interest that would have accrued up to the time of settlement if payment had been made in debentures. The amendment would put cash payments of insurance benefits on a par with insurance payments made in debentures. Cash settlement can be made under section 220 urban renewal housing program, the section 221 program of housing for low- and moderate-income families, and the section 233 experimental housing program. Under other programs the bulk of the insurance payment is in the form of debentures. Under existing law, mortgagees receive interest on the debentures from the time of foreclosure, but where the claim is paid in cash, no allowance can be made for interest from the time of foreclosure or conveyance of property to FHA to the time of the settlement.

Elimination of certificates of claim

Under the usual FHA insurance contract for home mortgages, insurance benefits are payable in "debentures" which cover prescribed items of the mortgagees losses. In addition, the mortgagee receives a "certificate of claim" which entitles him to additional payments for his remaining losses if sufficient amounts are eventually realized by FHA from the property acquired. These certificates of claim often prove to be worthless to the mortgagee and require substantial record-keeping and expenditures by the FHA.

To simplify and expedite payment of home mortgage insurance claims, this section of the bill would eliminate certificates of claim in future contracts and would provide instead for certain compensating increases in the amount of the debentures. The issuance of a certificate of claim would also be discontinued with respect to existing home mortgage insurance unless the mortgagee specifically requests the certificate.

The section would permit increased allowances for foreclosure costs to be included in the debentures to the extent the Commissioner prescribes. However, no increase is contemplated at the present time in the allowances for foreclosure costs. Now this allowance is two-thirds of foreclosure costs, or \$75, whichever is the greater.

In addition, authority would be granted to the Commissioner to date debentures as of the date of default or such later date as the Commissioner, in his discretion, may establish. This means that the Commissioner could authorize interest on debentures to start running at an earlier date than authorized under existing law.

If any proceeds from disposition of the property by the FHA remain after payment of the certificate of claim held by the mortgagee, the remaining proceeds are paid to the mortgagor of the property. Under this section, the provision for paying such excess proceeds to the mortgagor would be eliminated. Very few mortgagors would lose any payments. The low amount of equity that most mortgagors have in their properties eliminates the possibility of any excess proceeds becoming available for payments. Payment of excess proceeds to mortgagors of multifamily properties was discontinued in 1948 with no difficulty, and certain home mortgage programs now have no provision for these payments to mortgagors.

With respect to certificates of claim outstanding at the time of the enactment of the bill, the Commissioner would be given authority to settle the certificates

with the consent of the holders without awaiting the final liquidation of the Commissioner's interest in the properties. These settlements would be made on the basis of a payment to the holder of such percentage of the face amount of the certificate of claim and accrued interest as the Commissioner considers appropriate to accomplish the settlement.

The FHA is now accounting for 52,000 unsettled certificates of claim and this number could increase considerably during the next few years. Over 25,000 properties were conveyed to the Commissioner during fiscal year 1962. The 1963 budget estimates included funds for processing claims on the anticipated conveyance of 27,000 properties to the Commissioner. Actual conveyances will be anywhere from 33,000 to 35,000 during fiscal 1963.

A proposed larger cash payment for adjusting the difference between the debentures issued and the total amount of the claims approved (a maximum of \$350 rather than the present \$50) is included in this section. This would be an advantage both to the FHA and to mortgagees by lessening the complexities which arise in adjusting insurance settlements. Mortgagees frequently make errors in submitting their claims for insurance, and after settlement, request revisions of the settlements to cover additional amounts. Under the present limit of \$50 on a cash payment, it is often necessary to issue additional debentures, reissue the certificate of claim, and make adjustments in the cash payments. The larger limit of \$350 would permit adjustments of the settlements by merely adjusting the amounts paid in cash.

Multifamily mortgages

The obligation of mortgagees to pay mortgage insurance premiums on multifamily housing mortgages in default would be terminated upon receipt by FHA of the application for insurance benefits. Under the present law this obligation does not terminate until the property is conveyed to FHA or the mortgage is assigned to FHA.

This section would avoid unnecessary complications, and additional expenses to the Government. Under the present procedures, mortgagees of multifamily housing projects press FHA for settlement of the insurance before the mortgage insurance premium becomes due in order to avoid its payment. In any case, it is extremely difficult, if not impossible, for FHA within the time available to handle the processing of the claim before a mortgage insurance premium comes due.

Section 804. Rehabilitation in urban renewals areas

The principal purpose of this section is to encourage more rehabilitation of housing for rent in urban renewal areas by permitting nonoccupant owners of 1 to 11 family unit structures in such areas to have FHA insurance of a mortgage in a maximum amount more in line with that now permitted where such housing consists of larger multifamily structures. The section would liberalize and make more workable the FHA section 220 mortgage insurance program for financing the construction, purchase, or rehabilitation of housing in urban renewal areas.

Section 220 of the National Housing Act, authorizing mortgage insurance for urban renewal housing, would be amended (1) to increase the maximum amount of a mortgage which can be insured where the mortgagor is not an occupant of the property and intends to hold it for rent; and (2) where refinancing is involved, to permit existing indebtedness for improvement of the property to be included in the computation of the amount of a mortgage whether or not the indebtedness is secured by a mortgage or is FHA-insured.

1. Under the proposed amendment, the maximum amount of a mortgage, where a nonoccupant mortgage holds 1 to 11 family housing for rent, may be in an amount which does not exceed (1) 90 percent of the replacement cost of the property, or (2) the amount permitted for an occupant mortgagor, or (3) if the mortgage is to finance rehabilitation, 90 percent of the sum of the estimated cost of repair and rehabilitation and the value of the property before repair and rehabilitation. Under the existing law a mortgagor in this case is eligible for only 85 percent of the amount of a mortgage that is available to an owner-occupant. Experience has demonstrated that this limitation has made the financing inadequate to encourage the desired systematic upgrading of the entire urban renewal area.

2. Section 220 would be amended to permit any existing outstanding indebtedness on a 1 to 11 family property incurred for improvement, repair, or rehabilitation of the property, whether or not such indebtedness is secured by a mortgage or is FHA-insured, to be included in a mortgage where refinancing is in-

volved. Under present law, the mortgage in such case can include only the cost of repairs and rehabilitation plus the amount of indebtedness secured by the property.

Section 805. FHA section 221 housing for low- or moderate-income elderly persons

This section would make individual elderly persons eligible to purchase or occupy housing for low- and moderate-income families and families displaced by urban renewal or other governmental action which is financed with mortgages insured by the Federal Housing Administration under its program authorized by section 221 of the National Housing Act. This would include moderate rental housing financed with mortgages bearing below-market interest rates under the section 221(d)(3) program. The elderly persons would, of course, have to meet low- or moderate-income requirements applicable under the present law.

Both sales and rental housing are financed under the section 221 program. The program includes the below-market interest rate mortgage insurance program which permits insurance of mortgages financing rental housing and bearing interest rates as low as 3 $\frac{3}{8}$ percent per annum. Waiver of FHA mortgage insurance premiums is also permitted for those mortgages. The low interest rate and waiver of premiums permit lower monthly rents than would otherwise be possible. FHA establishes local income limits for occupancy of the housing and regulates the rentals charged.

Mortgages bearing market interest rates are also insured under the section 221 program for housing for low- and moderate-income families and displaced families, including both rental and sales housing.

Many elderly persons with low or moderate incomes need the housing provided under the section 221 program, particularly the moderate rental housing provided under the below-market interest rate program. However, the provisions of the present law restrict occupancy of section 221 housing to families excluding individual persons. Under the proposed amendment individual elderly persons would be eligible if they otherwise qualify to live in housing financed under the section 221 program.

Section 806. Mortgage insurance for servicemen

Servicemen in the Armed Forces of the United States and the Coast Guard would be made eligible to obtain under the special mortgage insurance program for servicemen, housing that is being provided under the FHA section 221(d)(2) mortgage insurance program for homes for low- or moderate-income families.

Under existing law, housing that meets the requirements of the regular section 203(b) mortgage insurance program for homes, and the section 203(i) program for low-cost homes in suburban and outlying areas can be purchased by servicemen with mortgages insured under the special section 222 mortgage insurance program for servicemen. In order to be eligible for a mortgage insured under section 222, the serviceman must have a certificate from the Secretary of Defense (or Treasury) indicating that the serviceman requires housing and is serving and has served 2 years on active duty in the Armed Forces (or the Coast Guard). Under this program the mortgage insurance premium is paid by the military services (or Treasury in the case of Coast Guard personnel) rather than the serviceman, so long as the home is occupied by the serviceman. The amount of a mortgage cannot exceed \$20,000, except that if the property meets the criteria of 203(i) the amount of the mortgage is limited to \$9,000 (under present provisions).

At the present time, housing for low- or moderate-income families is being provided under the section 221(d)(2) program in some localities where there are servicemen. Servicemen cannot under existing law purchase this housing with a section 222 mortgage because it does not meet the criteria of either section 203 or 203(i). The proposed amendment would make the section 221(d)(2) housing available for purchase by a serviceman by adding a provision to section 222 that if the housing meets the criteria of section 221(d)(2) the mortgage can be insured under the section 222 program. The amount of a mortgage on a section 221(d)(2) one-family house could not exceed \$11,000 (\$15,000 in a high-cost area).

Section 807. Private financing of sale of FHA-acquired properties

This section would encourage the private financing of the disposal of FHA-acquired properties by authorizing FHA to insure mortgage loans made by private lenders to the purchasers of the properties without regard to any of the limitations or requirements that would apply in the insurance of mortgages

under other circumstances. In addition, in case of default on a loan, the Commissioner could pay insurance benefits to the lender in either cash or debentures and settle the claim without regard to requirements that would normally apply.

Under existing law, the Commissioner may only disregard requirements with respect to the eligibility of the mortgage, and insurance payments could be made in cash only if the loan were insured under the urban renewal housing program or the section 221 program of housing for low- and moderate-income families. Lenders would be more willing to make loans financing the purchase of FHA-acquired properties if the proposed amendments are enacted. This would eliminate the necessity of FHA itself in some cases taking a mortgage loan for this purpose.

Section 808. Mortgage insurance for condominiums

The law authorizing the FHA mortgage insurance program for sale of family units in condominiums would be amended—

(1) to permit mortgages financing purchases of family units in the condominiums to have larger amounts and up to a 35-year term;

(2) to permit condominiums to consist of more than one structure, such as a bank of row apartments, a group of high-rise apartments, or a number of single-family structures;

(3) to permit an investor-sponsor cooperative to convert to a condominium; and

(4) to authorize the insurance of mortgages which would finance the construction or rehabilitation of multifamily projects that would be sold as condominiums.

Mortgage limits for purchase of family units

Under the amendments a mortgage which would finance the purchase of a family unit in a condominium could be in an amount up to \$30,000 and not more than the sum of 97 percent of \$15,000 of the appraised value of the family unit (including common areas and facilities), 90 percent of the value in excess of \$15,000 but not more than \$20,000, and 75 percent of the value above \$20,000. Under present law, the mortgage amount cannot exceed 97 percent of \$13,500 of appraised value, plus 90 percent of the value above \$13,500 but not over \$18,000 plus 70 percent of the value above \$18,000. The new maximum amount would be the same as for home mortgages insured by FHA under its regular section 203 program.

The term of the mortgage under the amendments could not exceed 35 years. Under present law, the term is limited to 30 years.

Multistructure condominiums

Under existing law only family units in a multifamily structure are eligible for mortgage insurance to finance the sale of the units. The amendments would authorize mortgage insurance for the sale of family units in a group of apartments or a number of single-family structures that are being sold as condominiums.

Conversion of investor-sponsor cooperatives to condominiums

An investor-sponsor cooperative would be permitted to convert to a condominium. Under existing law any FHA cooperative is prohibited from becoming a condominium. In some areas there is evidence that some investor-sponsor cooperatives who are experiencing difficulty in marketing their dwelling units as cooperatives could readily sell them under the condominium program.

Mortgage insurance for construction of condominiums

The bill would authorize insurance of mortgages under the condominium program which would finance the construction or rehabilitation of multifamily projects to be sold as condominiums. The mortgagor would be required to certify to FHA that it intends to sell the family units as a condominium, and that it will carry out all reasonable efforts to establish the condominium and to sell the units to purchasers approved by FHA.

Under existing law only a multifamily structure that has been financed with an FHA-insured mortgage under any of the multifamily rental housing programs of FHA (except a cooperative) can be sold as a condominium. Providing specific authority for insurance of a mortgage which would finance the construction or rehabilitation of the condominium, in addition to the sale of the dwelling units, would eliminate confusion and questions with respect to requirements FHA

should apply to the mortgagor and to the project. Under present law where the mortgage financing the construction of the project itself is required to be insured under a rental housing program it has been difficult to separate the project from the criteria which govern a rental housing project and the different criteria which should govern a condominium. Authorization of a specific program for the financing of a structure or structures which will become a condominium would eliminate this confusion and difficulty.

The limits on a construction mortgage would be similar to the limits applied to an investor-sponsor cooperative project. The mortgage could not exceed 90 percent of the replacement cost of the project when completed, and \$2,500 per room or \$9,000 per family unit if the number of rooms in the project is less than four per family unit. If the project is elevator type, the dollar limitations can be up to \$3,000 per room and \$9,400 per family unit. The Commissioner could increase any of the dollar limitations by not to exceed \$1,250 per room in high-cost areas. The interest on the mortgage could not exceed $5\frac{1}{4}$ percent per annum, and the term of the mortgage could not exceed 40 years. The mortgage would be a blanket mortgage and the family units would be released from the blanket mortgage as they are sold. A project could include such commercial and community facilities as the Commissioner deems adequate to serve the occupants.

The labor standards provisions and the cost certification requirements that are applicable to other multifamily mortgagors under other FHA programs would be applicable to the mortgagors financing condominiums with FHA-insured mortgages under the new provisions.

Section 809. Transfer of funds

This section would amend section 219 of the National Housing Act to permit moneys in the general surplus account of the mutual mortgage insurance fund to be transferred among the various other insurance funds. This provision would have no effect on the mutuality of the mutual mortgage insurance fund and the distribution to mortgagors of distributable shares from the participating reserve account in the fund.

TITLE IX—MISCELLANEOUS

Section 901. FNMA—Removal of \$20,000 mortgage amount limitation

This section would dispense with the statutory \$20,000 per family residence or dwelling unit ceiling on mortgages purchased by FNMA under its secondary market operations which are privately financed. The \$17,500 per residence or dwelling unit limitation that applies generally to mortgages purchased under FNMA's special assistance functions, financed by Treasury funds, would remain in effect.

Already exempted by law from both of these limitations are all mortgages insured by FHA under the section 220 urban renewal housing program, under the title VIII armed services housing program, and under the section 213 cooperative housing program on properties in urban renewal areas, and also all FHA-insured and VA-guaranteed mortgages on properties in Alaska, Guam, or Hawaii.

An important effect of the section would be to end the existing anomalous conflict between a uniform across-the-board FNMA secondary market operations ceiling and the variable, sometimes higher and sometimes lower, statutory ceilings applicable to mortgages insured by FHA under its several programs.

The important consideration is that FNMA's purpose, under the regular privately financed secondary market operations, is to promote the acceptability and salability in the general secondary mortgage market of these Government-backed mortgages. When this is possible without cost or burden to the Government—and it is in fact being done for mortgages up to \$20,000—there appears to be no sound reason why FNMA should arbitrarily be required to discriminate against the relatively few FHA-insured mortgages which exceed somewhat the unrelated FNMA \$20,000 ceiling for each family residence or dwelling unit. The larger mortgages are needed, also, to meet the financing needs of larger families, particularly such families living in the higher cost metropolitan areas.

Clearly, the elimination of the \$20,000 mortgage ceiling will not result in the channeling of FNMA's secondary market operations funds into higher amount mortgages to any appreciable degree. The bulk of the mortgages purchased by FNMA under its secondary market operations will continue to be of mortgages on lower priced homes. The amount of the average mortgage currently being purchased is \$12,235, which is below the FHA average.

Section 902. FNMA—Ninety-percent loans

Under its secondary market operations, FNMA is authorized by existing law to make short-term loans on the security of insured or guaranteed mortgages if the loans do not exceed 80 percent of the unpaid principal amounts of the mortgages securing them. The proposed amendment would increase this statutory maximum to 90 percent. FNMA's experience with the new lending authority, which was added to its corporate charter by the Housing Act of 1961, indicates that the existing 80-percent maximum is impracticable.

The FNMA lending activity is basically sound, and this proposal would make the loan program serve the purpose intended, namely, furnish an optional method for investors to achieve a degree of liquidity and thereby offer general encouragement to investors to invest in mortgages.

Section 903. FNMA—Purchase of participations

This section would repeal section 304(d) of the FNMA Charter Act. That section now states: "The Association may not purchase participations in its operations under this section." Under existing law such repeal would permit FNMA, under its secondary market operations, to purchase, sell, and deal otherwise in participations in insured and guaranteed mortgages. A participation is a fractional interest in a whole mortgage. Transactions involving participations have become increasingly significant recently in the field of secondary market activity in mortgages. This proposal would enable FNMA to provide a more complete and effective service to the mortgage market.

Under its Government-financed special assistance functions, FNMA is not precluded by existing law from dealing in participations. This section of the bill, by permitting FNMA to make the services of its privately financed secondary market operations also available to such participations, should further the more complete attainment of the basic purposes of the FNMA Charter Act.

Section 904. Open-space program—Grant authorization

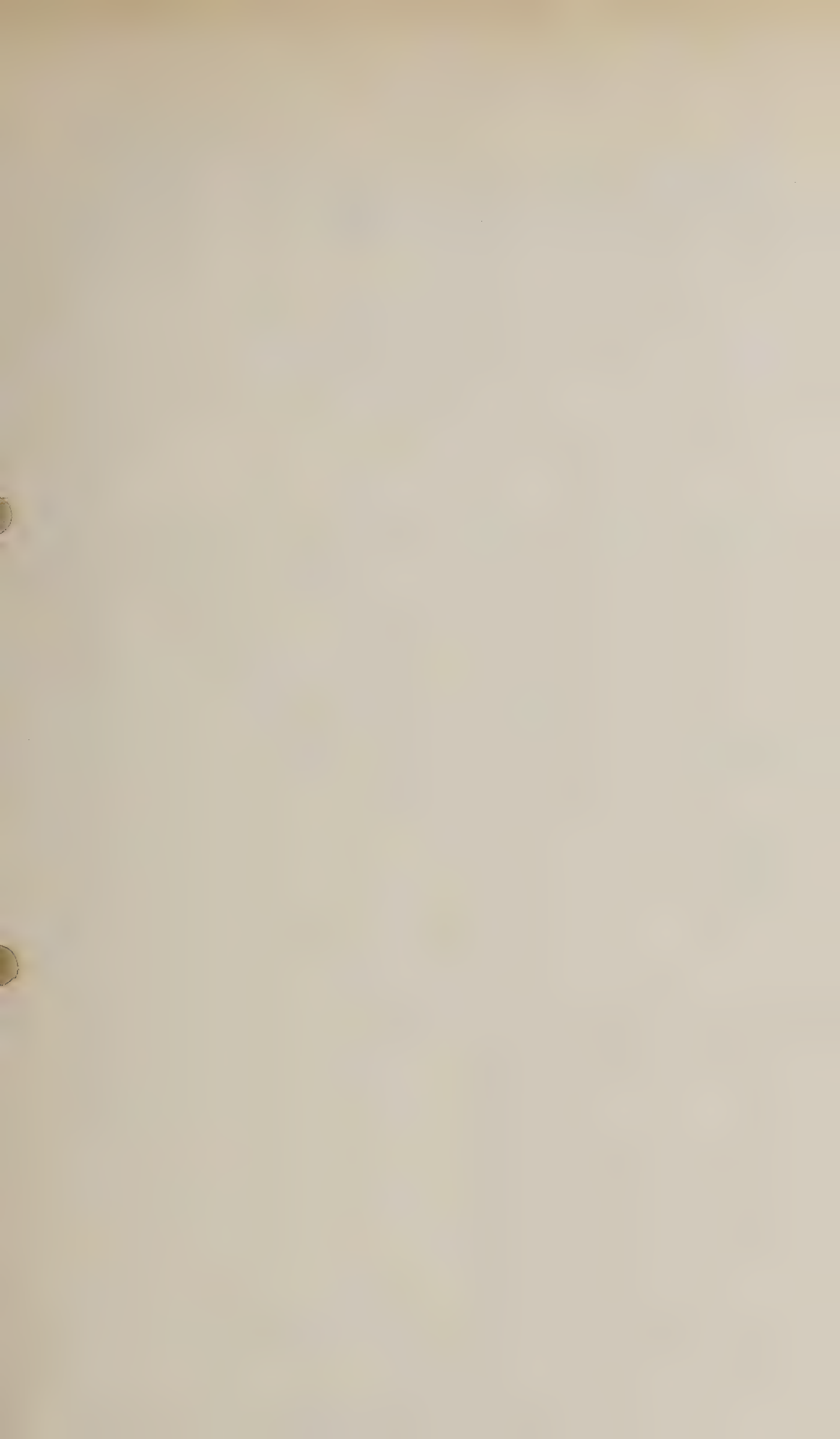
This section would authorize appropriations for additional grants under the urban open-space program without dollar limit, and would provide that amounts appropriated would remain available until expended. This section would make no additional funds available without subsequent appropriation.

Additional appropriations will be needed this year.

Section 905. Housing for the elderly—Loan authorization

This section would remove the existing \$275 million limitation on the size of the revolving fund out of which loans for housing for the elderly are made, and authorize such additional sums to be appropriated to the fund as may be necessary to carry out the program. This would make no additional funds available without subsequent appropriation.

The present authorization is not sufficient to cover operations beyond next summer.





United States
of America

Please return to
Division of Legislative Reporting
Office of Budget and Finance

Congressional Record

PROCEEDINGS AND DEBATES OF THE 88th CONGRESS, SECOND SESSION

Vol. 110

WASHINGTON, MONDAY, JANUARY 27, 1964

No. 13

Senate

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of all mercy, who art acquainted with our frailties, and forgivest even our craven denials of Thyself: Thou who knowest our hearts knowest that as we pause in contrite devotion at this daily arbor of quiet, we hate our sins of omission and commission that draw us from the glory of our better selves. By our very failures and fallibilities and by tasks too difficult for us, we are driven unto Thee for strength to endure and wisdom to rightly interpret the signs of these trying times.

In the cause of our free land and of our common humanity, may we be collaborators with Thee in helping to build the city of God on the ruined wastes of this divided and disordered world.

May the benediction of Thy grace rest upon Thy servants, called to serve the Nation and the world in such an age. Here in the homeland, amid familiar scenes, or in far parts of the world, beset by danger, may Thy protecting care encompass them, giving them every new day, whatever may be the circumstances, the assurance that underneath are the everlasting arms.

Amid all life's changes, Thou who changest not, abide with us and guide us, now and forever. Amen

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, January 23, 1964, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on January 23, 1964, the President had approved and signed the joint resolution (S.J. Res. 136) providing for re-

naming the National Cultural Center as the John F. Kennedy Center for the Performing Arts, authorizing an appropriation therefor, and for other purposes.

REPORT ON U.S. AERONAUTICS AND SPACE ACTIVITIES—MES- SAGE FROM THE PRESIDENT (H. DOC NO. 207)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Committee on Aeronautical and Space Sciences:

To the Congress of the United States:

In accordance with section 206(b) of the National Aeronautics and Space Act of 1958, as amended, I transmit herewith a report for the calendar year 1963, on this Nation's aeronautics and space activities.

The year 1963 was a period of constructive development of our increasing space competence. It was also a period of searching evaluation of the national space program—an evaluation which resulted in broad acceptance of the policy of our attaining and maintaining space leadership, with due regard for our national security.

Our space program, in both its civilian and military aspects, is peaceful in purpose and practice. Moreover, it combines such objective with a policy of international cooperation based upon a mutuality of participation and benefits as well as the wide dissemination of knowledge.

Space progress is essential if this Nation is to lead in technology and in the furthering of world peace. Such progress requires the use of substantial resources, which must be employed efficiently and effectively in order that we obtain the maximum benefits with a minimum of waste.

In summary form, the accompanying report depicts the contributions of the various departments and agencies of the Government to the national space program during 1963.

LYNDON B. JOHNSON.

THE WHITE HOUSE, January 27, 1964.

HOUSING—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 206)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying papers, was referred to the Committee on Banking and Currency:

To the Congress of the United States:

Our Nation stands today at the threshold of the greatest period of growth in its history.

By 1970, we shall have to build at least 2 million new homes a year to keep up with the growth of our population. We will need many new classrooms, uncounted miles of new streets and utility lines, and an unprecedented volume of water and sewerage facilities. We will need stores and churches and libraries, distribution systems for goods, transportation systems for people, and communication systems for ideas.

Above all, we will need more land, new housing, and orderly community development. For most of this population growth will be concentrated in the fringe areas around existing metropolitan communities.

I. HOUSING

Fortunately, the old pressures on our housing supply arising from depression and war-caused shortages have largely been overcome. But new pressures will develop as the number of new families rises rapidly in the late sixties. And great numbers of our families have yet to secure the true goal of every parent: not merely housing but adequate housing.

Now is the time to direct the productive capacity of our homebuilding industry to the great needs of the neglected segments of our population. This is necessary in its own right and vital to the continued strength of the industry.

Satisfaction with the 1,600,000 new housing starts in 1963 cannot obscure the fact that too many minorities, too many families of low income, too many elderly, too many rural families, and too many military families have not shared

in the housing improvement which those units represent.

Unless we act and act now, the promises of the national housing policy will remain empty slogans to large numbers in these groups.

A. HOUSING FOR MINORITIES

Over a year ago, President Kennedy issued an Executive order designed to assure opportunities for equal access to federally assisted housing. Already a half million dwelling units are—or soon will be—subject to that order. This administration will continue and strengthen its efforts to translate the pledge of that order into meaningful practice. The program proposed in this message will broaden the range of housing choices open and realistically available to those whom discrimination has too long restricted.

B. HOUSING FOR LOW-INCOME FAMILIES

For over a quarter of a century, the low-rent public housing program has been the primary source of additional decent housing for families of low income. Over 1,500 communities—350 of them since 1961—have recognized the need for supplementing private efforts by creating housing authorities to build and operate public housing with Federal assistance.

The 100,000 units of federally aided public housing authorized by the Housing Act of 1961 are now all committed. But still more communities and more families need such housing.

To continue this program for those who have no other effective opportunity for better housing, I recommend the authorization of 50,000 additional public housing units for each of the next 4 years.

Most of these units should continue to be new construction to provide a net expansion in the volume of housing available to low-income families. However, we have at this time a real opportunity to make low-rent housing available more quickly and at lower cost in many cities by acquiring units from the existing stock of private housing and rehabilitating them, where necessary, for the use of low-income families. I recommend amendments to the Public Housing Act to facilitate acquisition of existing housing units within the proposed 50,000 units per year.

In other cases, leasing of standard units by local public housing authorities for use in the low-rent program is a feasible and economic approach. I recommend, in addition, that the authority for expanding low-rent housing include authorization for local housing authorities to lease 40,000 housing units over the next 4 years.

We have much more to learn before the housing needs of our low-income population can be adequately met. The small demonstration program provided for this purpose in the Housing Act of 1961 has permitted a number of promising experiments to get underway. I recommend an additional \$5 million be authorized to continue this program for at least 1 more year. During this period, attention can be given to special housing needs, such as those of our physically handicapped, as well as to means of help-

ing low-income persons obtain adequate housing.

C. HOUSING FOR THE ELDERLY

I believe it especially unfortunate that many of those who do not have or cannot secure decent housing are elderly. Special attention to the needs of this group at all income levels should continue.

The expansion and improvement of public housing programs that I am recommending will be used extensively for lower income elderly. Federal insurance of loans will continue to encourage the construction of specially designed housing for elderly with adequate incomes. However, the existing authority for funds to finance the program of low-interest direct Federal loans which serves the moderate income elderly will soon be exhausted. I recommend that the low-interest direct Federal loan program for the elderly be extended and additional funds appropriated to permit loans of \$100 million during the coming fiscal year.

At present, the successful program of moderate-income housing provided through loan insurance at below-market interest rates enacted in 1961 is limited to family tenants. In many cases, admission of single elderly persons to such housing would be highly desirable. I recommend that single elderly persons be made eligible for housing financed by federally insured below-market interest loans.

D. RURAL HOUSING

The living conditions of our rural families—including the nearly one-third of our elderly who live on farms or in small towns—likewise deserve and need special consideration.

More than a million rural families still live in homes of such poor condition that they actually endanger the health and safety of the occupants.

Three million rural families live in homes that need major repairs.

A third of our rural homes do not have complete sanitary facilities.

Nearly two-thirds of rural homes are without adequate heating.

The rural housing programs of the Department of Agriculture, initiated in 1949 and strengthened in 1961 and 1962, have made a good start on meeting the problems represented by these statistics, but the 20,000 rural families helped last year represent only a small fraction of the job to be done. Primary reliance on direct Federal loans for this purpose is, however, neither necessary nor—in the volume required—realistic.

I recommend extension of the expiring authorization in title V of the Housing Act of 1949 to insure loans on rental housing for the rural elderly. Further, in order to accelerate the basic rural housing loan program, I urge that the Congress enact an insured rural housing loan program along the lines of that proposed by the administration in the first session of this Congress.

I further recommend early action on legislation along the lines of S. 981 to assist with the housing problems of domestic farm laborers—problems which are particularly acute for our 350,000 migrant farmworkers.

E. MILITARY FAMILY HOUSING

The military man, in keeping with his profession, expects to endure—and frequently does endure—personal hardships during his career. We do not have the right to expect the same from his family. While the Defense Department properly relies primarily upon the private community to supply the major portion of its needs for decent and economical housing, an annual construction program to house the families of military personnel is required in those communities where the severest chronic shortages exist. Accordingly, I have recommended in the military construction program authorizations and appropriations for 12,500 additional units for fiscal 1965 to meet the most critical needs.

F. IMPROVEMENTS IN OTHER HOUSING PROGRAMS

Apart from the housing needs of the special groups already discussed, the partnership between private industry and Government—exemplified by Federal guarantees and insurance of private housing credit—has made possible good housing and widespread homeownership for millions of our citizens.

I intend to encourage—through legislative proposals, where necessary—even more effective cooperation between Government and industry for the joint benefit of homeowners, tenants, and the industry itself. To this end, I am proposing a number of modifications in the statutes governing our self-supporting mortgage insurance and marketing programs which will improve their efficiency and usefulness. Among these will be the following proposals:

(1) To provide relief in those isolated cases in which, despite the care exercised by builders and the Federal Housing Administration and the Veterans' Administration, substantial defects develop in new construction they have approved, I recommend that authority be provided for the FHA and VA to finance the correction of substantial deficiencies.

(2) To make certain that no legislative barriers exist to discourage or prevent mortgage lenders and the Federal Housing Administration from cooperating to help delinquent mortgagors in deserving cases, I recommend that FHA's claim and forbearance authorities be amended to encourage the temporary withholding of foreclosures against homeowners who default on their mortgages due to circumstances beyond their control.

(3) To expand our concerted effort to substitute private credit for Federal loans, I recommend provision of legislative authority for the pooling of mortgages held by the Federal National Mortgage Association and the Administrator of Veterans Affairs, and the sale of participations in such pools.

II. URBAN RENEWAL

The Federal program of urban renewal is today our principal instrument for restoring the hope and renewing the vitality of older cities and wornout neighborhoods.

The Federal assistance which provides local leaders and governments with in-

centives and the tools for revitalizing their communities has proven its worth in eliminating housing blight; in contributing to restoration of the economic base of our communities; and in helping reshape our central areas into effective nerve centers for our cities.

The Housing Act of 1961 doubled the previous urban renewal authorization to a total of \$4 billion. By the middle of this year, all of that increase will have been committed. I recommend that an additional \$1.4 billion of urban renewal funds be approved for a 2-year period.

Despite existing programs assisting families and persons displaced by urban renewal projects, the human cost of relocation remains a serious and difficult problem.

The vast majority of those displaced by urban renewal and public housing have relocated in better and standard housing, but some have not. For most, the cost of improved housing has been an unsought burden. For some, the inconvenience of displacement has meant only another slum dwelling and the likelihood of repeating this experience.

To assist further those families and persons least able to bear the burden of displacement, I recommend:

A. That an additional annual subsidy of up to \$120 per unit be available for local public housing authorities, where needed to provide access to such housing for displacees with extremely low incomes.

B. That low- and moderate-income families displaced by urban renewal receive 2-year supplemental relocation payments equal to the difference between rentals on standard housing in their communities and 20 percent of their gross incomes.

C. That low-income single persons displaced by urban renewal or other public action be made eligible for public housing.

Similarly, small businessmen—especially those in leased premises—often incur economic loss and hardship as a result of displacement by urban renewal or public housing which is not offset by current compensation practices and moving expense reimbursements. To provide more adequately for these firms, I recommend authority for a separation payment of up to \$2,500 for small establishments.

At the time of the 1960 census, 7 million nonfarm dwellings were found to be deteriorating, including 2½ million occupied by their owners. Rehabilitation and preservation of existing housing wherever possible is a key element in the urban renewal process today. Elderly homeowners in urban renewal areas with low, fixed incomes are at a particular disadvantage in trying to meet the increased housing payments required by rehabilitation. To assist them, I recommend a program of Federal insurance and purchase of low-interest loans, with a deferral of amortization of principal, for home rehabilitation by elderly homeowners in urban renewal programs.

III. COMMUNITY DEVELOPMENT

The great expansion of our urban areas over the last 2 decades has too frequently been carried out in a sprawling space-consuming, unplanned and uneco-

nomic way. All levels of government are spending vast sums to accommodate this tremendous urban growth with highways, sewer and water facilities, schools, hospitals and other community facilities. Rural communities and small towns face similar pressures. If the taxpayer's dollar is to be wisely used and our communities are to be desirable places in which to live, we must assure ourselves that future growth takes place in a more orderly fashion.

I recommend that the urban planning assistance program and the open space program administered by the Housing and Home Finance Agency be extended.

Although the planning requirements of these and various other Federal programs—such as the Federal-aid highway program—also emphasize orderly growth and development, much more can and should be done.

The pioneering efforts of progressive and imaginative private developers in planning totally new and complete communities indicate some of the exciting possibilities for orderly growth. In the tradition of the long-established partnership between private industry and Government in housing and community development, the Federal Government should encourage and facilitate these new and desirable approaches.

Such a partnership can help achieve the orderly accommodation of a significant part of our forthcoming urban growth by means of entirely new communities, complete with all public services, all the industry and commerce needed to provide jobs, and sufficient housing and cultural and recreational facilities for moderate- and low-income families as well as for the well-to-do. To realize such new community development, and to encourage the participation of private initiative on the greatest possible scale, I propose a program of grants and loans to States and local governments for the planning and provision of necessary public facilities and of loan insurance for private developers constructing such facilities.

Many existing communities face problems of expansion as well. Even though they may foresee enormous development ahead, they often lack the resources to build sewer and water systems and other facilities with adequate growth capacity. Building in such capacity in advance could result in tremendous savings and prevent costly duplication or premature replacement of inadequate facilities. I, therefore, recommend a program of public facility loans with deferred amortization to enable communities to plan and build ahead of growth.

Early acquisition of land for right-of-way and other public improvements is frequently sound public business. Many communities which are prepared to exercise foresight in acquiring land—and to save private owners from uncertainty and hardship—lack the financial capacity to do so. Such advance acquisition—which would assure location of such facilities in accordance with planned development—could also result in substantial savings, inasmuch as the increases in land prices that occur as development proceeds would be avoided. I, therefore, recommend that public facility loans, with deferral of amortization as

required, be made available for advance land purchase or option by States and local governmental jurisdictions.

To encourage better planned new development on a neighborhood scale, and to preserve and increase the supply of improved land for homebuilding, I recommend Federal insurance of loans to private developers for acquisition and improvement of land for planned subdivisions.

It is essential that all of these programs be based on the existence of effective planning arrangements in the community or region. For planned subdivisions, there should be, in addition, assurance that the neighborhood itself is carefully conceived to maintain its residential integrity and will result in efficient land use.

In our great metropolitan areas, and in our rural communities as well, the difficult problems of growth and development require understanding and cooperation at all governmental levels. The Federal Government can assist and encourage, but, in the last analysis, the success or failure of programs of community development depends on those most directly involved.

IV. URBAN MASS TRANSPORTATION

Efficient transportation systems are essential to our urban communities. Each local system should be tailored to its particular needs—existing and prospective—and the proper mixture of good highways and mass transit facilities should be developed to permit safe, efficient movement of people and goods in our metropolitan centers.

A matching grant mass transit program along the lines proposed by the administration was approved by the Senate last year (S. 6) and reported favorably to the House by its Committee on Banking and Currency (H.R. 3881). I urge early enactment of the mass transit program as basic to the development and redevelopment of our Nation's cities.

V. TRAINING NEEDS

The sound administration of local governments and the success of our federally supported programs of community development depend heavily on the competence of State and local public service staffs—on their ability, their imagination, and, especially, their training. Throughout the range of local functions—from traffic control to tax administration, from recreation to renewal—their efforts will influence greatly the quality of community living.

The substantial Federal investment in local community efforts justifies a deep Federal interest in the quality of local government employees and the expenditure of funds to help attract able people to local public service and help them develop the skills and perspective they need.

To this end, I recommend a program of up to \$25 million a year in matching grants to States for the establishment of urban public service training and research programs.

VI. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

If we are to deal successfully with the complex problems of our urban and suburban communities, we need governmental machinery designed for the

1960's, not the 1940's. The Housing and Home Finance Agency, established 17 years ago primarily to administer housing programs, has seen its responsibilities enlarged progressively by the Congress during the intervening years to include the broader aspects of community development as well. The Agency now administers such major community development programs as urban renewal, urban planning, public facilities planning and loans, open space, and mass transit. These basic changes in the Agency's role and mission are not adequately reflected in the Agency's current organization and status which remain much the same as they were in 1947. Action to convert the Housing and Home Finance Agency into an executive department is long overdue.

The size and breadth of the Federal programs now administered by the Housing and Home Finance Agency and the significance of those programs clearly merit departmental status. A new Secretary of Housing and Community Development would be in a position both to present effectively the Nation's housing and community development needs in the highest councils of Government and to direct, organize, and manage more efficiently the important and closely interrelated housing and community development programs now administered or proposed for the Housing and Home Finance Agency.

I recommend that the Congress establish a Department of Housing and Community Development.

CONCLUSION

The dramatic increase in our Nation's population projected for the coming decades—over 300 million by the year 2000—and the increasing concentration of our population around urban centers will create increased housing needs and intensified problems of community development which must be anticipated and acted upon immediately.

How we respond to these challenges will have a lasting impact on the character of our cities and rural communities. Whether we achieve our goal of a decent home in a decent neighborhood for every American family rests, in large measure, on the actions we take now.

The substantive programs I have proposed in this special message will speed our solutions to today's problems and the predictable needs of tomorrow. I earnestly urge the Congress to give the attached draft bills the attention they merit.

LYNDON B. JOHNSON.
THE WHITE HOUSE, January 27, 1964.

ORDER DISPENSING WITH CALL OF LEGISLATIVE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the Legislative Calendar be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to con-

sider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of William Rummel, of Illinois, to be Comptroller of Customs with headquarters at Chicago, Ill., which was referred to the Committee on Finance.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of protocols were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Executive O, Eighty-eighth Congress, first session. Protocol amending the Interim Convention on Conservation of North Pacific Fur Seals, signed at Washington on October 8, 1963, on behalf of the governments of Canada, Japan, the Union of Soviet Socialist Republics, and the United States (Executive Report No. 1); and

Executive R, Eighty-eighth Congress, first session. Protocol for the Prolongation of the International Sugar Agreement of 1958. (Executive Report No. 2).

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the calendar will be stated.

DEPARTMENT OF DEFENSE

The Chief Clerk read the nomination of Cyrus Roberts Vance, of New York, to be Deputy Secretary of Defense.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF THE ARMY

The Chief Clerk read the nomination of Stephen Ailes, of the District of Columbia, to be Secretary of the Army.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

OFFICE OF SCIENCE AND TECHNOLOGY

The Chief Clerk read the nomination of Donald F. Hornig, of New Jersey, to be Director of the Office of Science and Technology.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. ARMY

The Chief Clerk proceeded to read sundry nominations in the U.S. Army.

Mr. MANSFIELD. Mr. President, I ask that the nominations in the Army be considered en bloc.

The PRESIDENT pro tempore. Without objection, the Army nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. AIR FORCE

The Chief Clerk read the nomination of Maj. Gen. Harold C. Donnelly, 647A Regular Air Force, to be a lieutenant general, and to be assigned to a position of importance and responsibility designated by the President, in the grade indicated, under the provisions of sec. 8066, title 10, of the United States Code.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. NAVY

The Chief Clerk proceeded to read sundry nominations in the Navy.

Mr. AIKEN. Mr. President, are the Navy nominations subject to debate?

Mr. MANSFIELD. They are.

Mr. AIKEN. Mr. President, I wish to say a word about one of them, that of Vice Admiral Rickover, who is to be placed on the retired list.

The PRESIDENT pro tempore. The Senator from Vermont is recognized.

NOMINATION OF VICE ADM. HYMAN G. RICKOVER TO BE PLACED ON THE RETIRED LIST

Mr. AIKEN. Mr. President, this is the birthday anniversary of a great American, Adm. H. G. Rickover.

Admiral Rickover's contributions to the defense and security of the Nation have been heralded so many times in the past, that there are very few words of appreciation to express our debt of gratitude to this earnest, devoted naval officer.

Today, the United States has 36 nuclear submarines, of which 17 are Polaris type and 19 are attack submarines. Another 50 nuclear submarines have been authorized. But these impressive statistics do not, alone, tell the dramatic story of Admiral Rickover's achievement.

Before we could talk of dozens of nuclear submarines, the first of these ships had to be built. It was here that Admiral Rickover made his fight, and triumphed against almost insuperable odds. In citing Admiral Rickover for this achievement, the Joint Committee on Atomic Energy, in 1959, stated:

As a result of his unstinting drive, organizational ability, and technical leadership, the United States produced the world's first nuclear powered ships.

In a larger sense, Admiral Rickover, through the sheer force of his personality, has injected a fresh, healthy spirit into American life. The essence of his character was perhaps best captured by the majority leader of the Senate, now President of the United States, Lyndon B. Johnson, who said, in 1959, to Admiral Rickover:

You are a symbol of the "can do" man. There are plenty of us who can find 15 reasons why something that ought to be done, can't be done, but there are very few of us who can cut through redtape, slash through the "can't do" folks and get on with the job. You have done that. You have brought pride to the Navy. You have been an inspiration and a stimulating example to every young man in this country.

Now, as he reaches the age of 64, Admiral Rickover goes on the Navy's retired list, with the permanent rank of vice admiral. But retirement is a poor word, for Admiral Rickover will continue to

HOUSING AND COMMUNITY DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 206)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking and Currency and ordered to be printed:

To the Congress of the United States:

Our Nation stands today at the threshold of the greatest period of growth in its history.

By 1970, we shall have to build at least 2 million new homes a year to keep up with the growth of our population. We will need many new classrooms, uncounted miles of new streets and utility lines, and an unprecedented volume of water and sewerage facilities. We will need stores and churches and libraries, distribution systems for goods, transportation systems for people and communication systems for ideas.

Above all, we will need more land, new housing and orderly community development. For most of this population growth will be concentrated in the fringe areas around existing metropolitan communities.

I. HOUSING

Fortunately, the old pressures on our housing supply arising from depression and war-caused shortages have largely been overcome. But new pressures will develop as the number of new families rises rapidly in the late sixties. And great numbers of our families have yet to secure the true goal of every parent: not merely housing but adequate housing.

Now is the time to direct the productive capacity of our homebuilding industry to the great needs of the neglected segments of our population—this is necessary in its own right and vital to the continued strength of the industry.

Satisfaction with the 1,600,000 new housing starts in 1963 cannot obscure the fact that too many minorities, too many families of low income, too many elderly, too many rural families, and too many military families have not shared in the housing improvement which those units represent.

Unless we act and act now, the promises of the national housing policy will remain empty slogans to large numbers in these groups.

A. HOUSING FOR MINORITIES

Over a year ago, President Kennedy issued an Executive order designed to assure opportunities for equal access to federally assisted housing. Already a half million dwelling units are—or soon will be—subject to that order. This administration will continue and strengthen its efforts to translate the pledge of that order into meaningful practice. The program proposed in this message will broaden the range of housing choices open and realistically available to those whom discrimination has too long restricted.

B. HOUSING FOR LOW-INCOME FAMILIES

For over a quarter of a century, the low-rent public housing program has been the primary source of additional decent housing for families of low income. Over 1,500 communities—350 of them since 1961—have recognized the need for supplementing private efforts by creating housing authorities to build and operate public housing with Federal assistance.

The 100,000 units of federally aided public housing authorized by the Housing Act of 1961 are now all committed. But still more communities and more families need such housing.

To continue this program for those who have no other effective opportunity for better housing, I recommend the authorization of 50,000 additional public housing units for each of the next 4 years.

Most of these units should continue to be new construction to provide a net expansion in the volume of housing available to low-income families. However, we have at this time a real opportunity to make low-rent housing available more quickly and at lower cost in many cities by acquiring units from the existing stock of private housing and rehabilitating them, where necessary, for the use of low-income families. I recommend amendments to the Public Housing Act to facilitate acquisition of existing housing units within the proposed 50,000 units per year.

In other cases, leasing of standard units by local public housing authorities for use in the low-rent program is a feasible and economic approach. I recommend, in addition, that the authority for expanding low-rent housing include authorization for local housing authorities to lease 40,000 housing units over the next 4 years.

We have much more to learn before the housing needs of our low-income population can be adequately met. The small demonstration program provided for this purpose in the Housing Act of 1961 has permitted a number of promising experiments to get underway. I recommend an additional \$5 million be authorized to continue this program for at least 1 more year. During this period, attention can be given to special housing needs, such as those of our physically handicapped, as well as to means of helping low-income persons obtain adequate housing.

C. HOUSING FOR THE ELDERLY

I believe it especially unfortunate that many of those who do not have or cannot secure decent housing are elderly. Special attention to the needs of this group at all income levels should continue.

The expansion and improvement of public housing programs that I am recommending will be used extensively for lower income elderly. Federal insurance of loans will continue to encourage the construction of specially designed housing for elderly with adequate incomes. However, the existing authority for funds to finance the program of low-

interest direct Federal loans which serves the moderate-income elderly will soon be exhausted. I recommend that the low-interest direct Federal loan program for the elderly be extended and additional funds appropriated to permit loans of \$100 million during the coming fiscal year.

At present, the successful program of moderate-income housing provided through loan insurance at below-market interest rates enacted in 1961 is limited to family tenants. In many cases, admission of single elderly persons to such housing would be highly desirable. I recommend that single elderly persons be made eligible for housing financed by federally insured below-market interest loans.

D. RURAL HOUSING

The living conditions of our rural families—including the nearly one-third of our elderly who live on farms or in small towns—likewise deserve and need special consideration.

More than a million rural families still live in homes of such poor condition that they actually endanger the health and safety of the occupants; 3 million rural families live in homes that need major repairs; a third of our rural homes do not have complete sanitary facilities—nearly two-thirds of rural homes are without adequate heating.

The rural housing programs of the Department of Agriculture, initiated in 1949 and strengthened in 1961 and 1962, have made a good start on meeting the problems represented by these statistics, but the 20,000 rural families helped last year represent only a small fraction of the job to be done. Primary reliance on direct Federal loans for this purpose is, however, neither necessary nor—in the volume required—realistic.

I recommend extension of the expiring authorization in title V of the Housing Act of 1949 to insure loans on rental housing for the rural elderly. Further, in order to accelerate the basic rural housing loan program, I urge that the Congress enact an insured rural housing loan program along the lines of that proposed by the administration in the first session of this Congress.

I further recommend early action on legislation along the lines of S. 981 to assist with the housing problems of domestic farm laborers—problems which are particularly acute for our 350,000 migrant farmworkers.

E. MILITARY FAMILY HOUSING

The military man, in keeping with his profession, expects to endure—and frequently does endure—personal hardships during his career. We do not have the right to expect the same from his family. While the Defense Department properly relies primarily upon the private community to supply the major portion of its needs for decent and economical housing, an annual construction program to house the families of military personnel is required in those communities where the severest chronic shortages exist. Accordingly, I have recommended in the military construc-

tion program authorizations and appropriations for 12,500 additional units for fiscal 1965 to meet the most critical needs.

F. IMPROVEMENTS IN OTHER HOUSING PROGRAMS

Apart from the housing needs of the special groups already discussed, the partnership between private industry and Government—exemplified by Federal guarantees and insurance of private housing credit—has made possible good housing and widespread homeownership for millions of our citizens.

I intend to encourage—through legislative proposals, where necessary—even more effective cooperation between Government and industry for the joint benefit of homeowners, tenants and the industry itself. To this end, I am proposing a number of modifications in the statutes governing our self-supporting mortgage insurance and marketing programs which will improve their efficiency and usefulness. Among these will be the following proposals:

(1) To provide relief in those isolated cases in which, despite the care exercised by builders and the Federal Housing Administration and the Veterans' Administration, substantial defects develop in new construction they have approved, I recommend that authority be provided for the FHA and the VA to finance the correction of substantial deficiencies.

(2) To make certain that no legislative barriers exist to discourage or prevent mortgage lenders and the Federal Housing Administration from cooperating to help delinquent mortgagors in deserving cases, I recommend that FHA's claim and forbearance authorities be amended to encourage the temporary withholding of foreclosures against homeowners who default on their mortgages due to circumstances beyond their control.

(3) To expand our concerted effort to substitute private credit for Federal loans, I recommend provision of legislative authority for the pooling of mortgages held by the Federal National Mortgage Association and the Administrator of Veterans' Affairs, and the sale of participations in such pools.

II. URBAN RENEWAL

The Federal program of urban renewal is today our principal instrument for restoring the hope and renewing the vitality of older cities and wornout neighborhoods.

The Federal assistance which provides local leaders and governments with incentives and the tools for revitalizing their communities has proven its worth in eliminating housing blight; in contributing to restoration of the economic base of our communities; and in helping reshape our central areas into effective nerve centers for our cities.

The Housing Act of 1961 doubled the previous urban renewal authorization to a total of \$4 billion. By the middle of this year, all of that increase will have been committed. I recommend that an additional \$1.4 billion of urban renewal funds be approved for a 2-year period.

Despite existing programs assisting families and persons displaced by urban

renewal projects, the human cost of relocation remains a serious and difficult problem.

The vast majority of those displaced by urban renewal and public housing have relocated in better and standard housing, but some have not. For most, the cost of improved housing has been an unsought burden. For some, the inconvenience of displacement has meant only another slum dwelling and the likelihood of repeating this experience.

To assist further those families and persons least able to bear the burden of displacement, I recommend:

A. That an additional annual subsidy of up to \$120 per unit be available for local public housing authorities, where needed to provide access to such housing for displacees with extremely low incomes.

B. That low- and moderate-income families displaced by urban renewal receive 2-year supplemental relocation payments equal to the difference between rentals on standard housing in their communities and 20 percent of their gross incomes.

C. That low-income single persons displaced by urban renewal or other public action be made eligible for public housing.

Similarly, small businessmen—especially those in leased premises—often incur economic loss and hardship as a result of displacement by urban renewal or public housing which is not offset by current compensation practices and moving expense reimbursements. To provide more adequately for these firms, I recommend authority for a separation payment of up to \$2,500 for small establishments.

At the time of the 1960 census, 7 million nonfarm dwellings were found to be deteriorating, including 2½ million occupied by their owners. Rehabilitation and preservation of existing housing wherever possible is a key element in the urban renewal process today. Elderly homeowners in urban renewal areas with low, fixed incomes are at a particular disadvantage in trying to meet the increased housing payments required by rehabilitation. To assist them, I recommend a program of Federal insurance and purchase of low-interest loans, with a deferral of amortization of principal, for home rehabilitation by elderly homeowners in urban renewal programs.

III. COMMUNITY DEVELOPMENT

The great expansion of our urban areas over the last two decades has too frequently been carried out in a sprawling, space-consuming, unplanned, and uneconomic way. All levels of government are spending vast sums to accommodate this tremendous urban growth with highways, sewer and water facilities, schools, hospitals, and other community facilities. Rural communities and small towns face similar pressures. If the taxpayer's dollar is to be wisely used and our communities are to be desirable places in which to live, we must assure ourselves that future growth takes place in a more orderly fashion.

I recommend that the urban planning assistance program and the open-space

program administered by the Housing and Home Finance Agency be extended.

Although the planning requirements of these and various other Federal programs—such as the Federal-aid highway program—also emphasize orderly growth and development, much more can and should be done.

The pioneering efforts of progressive and imaginative private developers in planning totally new and complete communities indicate some of the exciting possibilities for orderly growth. In the tradition of the long-established partnership between private industry and Government in housing and community development, the Federal Government should encourage and facilitate these new and desirable approaches.

Such a partnership can help achieve the orderly accommodation of a significant part of our forthcoming urban growth by means of entirely new communities, complete with all public services, all the industry and commerce needed to provide jobs, and sufficient housing and cultural and recreational facilities for moderate- and low-income families as well as for the well-to-do. To realize such new community development, and to encourage the participation of private initiative on the greatest possible scale, I propose a program of grants and loans to States and local governments for the planning and provision of necessary public facilities and of loan insurance for private developers constructing such facilities.

Many existing communities face problems of expansion as well. Even though they may foresee enormous development ahead, they often lack the resources to build sewer and water systems and other facilities with adequate growth capacity. Building in such capacity in advance could result in tremendous savings and prevent costly duplication or premature replacement of inadequate facilities. I, therefore, recommend a program of public facility loans with deferred amortization to enable communities to plan and build ahead of growth.

Early acquisition of land for right-of-way and other public improvements is frequently sound public business. Many communities which are prepared to exercise foresight in acquiring land—and to save private owners from uncertainty and hardship—lack the financial capacity to do so. Such advance acquisition—which would assure location of such facilities in accordance with planned development—could also result in substantial savings, inasmuch as the increases in land prices that occur as development proceeds would be avoided. I, therefore, recommend that public facility loans, with deferral of amortization as required, be made available for advance land purchase or option by States and local governmental jurisdictions.

To encourage better planned new development on a neighborhood scale, and to preserve and increase the supply of improved land for homebuilding, I recommend Federal insurance of loans to private developers for acquisition and improvement of land for planned subdivisions.

It is essential that all of these programs be based on the existence of effective planning arrangements in the community or region. For planned subdivisions, there should be, in addition, assurance that the neighborhood itself is carefully conceived to maintain its residential integrity and will result in efficient land use.

In our great metropolitan areas, and in our rural communities as well, the difficult problems of growth and development require understanding and cooperation at all governmental levels. The Federal Government can assist and encourage, but, in the last analysis, the success or failure of programs of community development depends on those most directly involved.

IV. URBAN MASS TRANSPORTATION

Efficient transportation systems are essential to our urban communities. Each local system should be tailored to its particular needs—existing and prospective—and the proper mixture of good highways and mass transit facilities should be developed to permit safe, efficient movement of people and goods in our metropolitan centers.

A matching grant mass transit program along the lines proposed by the administration was approved by the Senate last year (S. 6) and reported favorably to the House by its Committee on Banking and Currency (H.R. 3881). I urge early enactment of the mass transit program as basic to the development and redevelopment of our Nation's cities.

V. TRAINING NEEDS

The sound administration of local governments and the success of our federally supported programs of community development depend heavily on the competence of State and local public service staffs—on their ability, their imagination, and, especially, their training. Throughout the range of local functions—from traffic control to tax administration, from recreation to renewal—their efforts will influence greatly the quality of community living.

The substantial Federal investment in local community efforts justifies a deep Federal interest in the quality of local government employees and the expenditure of funds to help attract able people to local public service and help them develop the skills and perspective they need.

To this end, I recommend a program of up to \$25 million a year in matching grants to States for the establishment of urban public service training and research programs.

VI. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

If we are to deal successfully with the complex problems of our urban and suburban communities, we need governmental machinery designed for the 1960's, not the 1940's. The Housing and Home Finance Agency, established 17 years ago primarily to administer housing programs, has seen its responsibilities enlarged progressively by the Congress during the intervening years to

include the broader aspects of community development as well. The Agency now administers such major community development programs as urban renewal, urban planning, public facilities planning and loans, open space, and mass transit. These basic changes in the Agency's role and mission are not adequately reflected in the Agency's current organization and status which remain much the same as they were in 1947. Action to convert the Housing and Home Finance Agency into an executive department is long overdue.

The size and breadth of the Federal programs now administered by the Housing and Home Finance Agency and the significance of those programs clearly merit departmental status. A new Secretary of Housing and Community Development would be in a position both to present effectively the Nation's housing and community development needs in the highest councils of government and to direct, organize, and manage more efficiently the important and closely interrelated housing and community development programs now administered or proposed for the Housing and Home Finance Agency.

I recommend that the Congress establish a Department of Housing and Community Development.

CONCLUSION

The dramatic increase in our Nation's population projected for the coming decades—over 300 million by the year 2000—and the increasing concentration of our population around urban centers will create increased housing needs and intensified problems of community development which must be anticipated and acted upon immediately.

How we respond to these challenges will have a lasting impact on the character of our cities and rural communities. Whether we achieve our goal of a decent home in a decent neighborhood for every American family rests, in large measure, on the actions we take now.

The substantive programs I have proposed in this special message will speed our solutions to today's problems and the predictable needs of tomorrow. I earnestly urge the Congress to give the attached draft bills the attention they merit.

LYNDON B. JOHNSON.

THE WHITE HOUSE, January 27, 1964.

AMENDMENT OF SMALL BUSINESS INVESTMENT ACT OF 1958

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 298, to amend the Small Business Investment Act of 1958, insist on the amendments of the House thereto, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. PATMAN, RAINS, MULTER, BARRETT, KILBURN, WIDNALL, and HARVEY of Michigan.

ADDITIONAL LEGISLATIVE PROGRAM FOR JANUARY 28

(Mr. ALBERT asked and was given permission to address the House for 1 minute.)

Mr. ALBERT. Mr. Speaker, I have been advised by the gentleman from Rhode Island [Mr. FOGARTY], that tomorrow afternoon after the House has finished its consideration of the Davis-Bacon Act legislation, the gentleman from Rhode Island intends to ask for unanimous consent to take from the Speaker's table House Joint Resolution 875, the 1964 supplemental appropriations legislation for the Department of Health, Education, and Welfare, with the Senate amendment, recede from disagreement to the amendment of the Senate and concur therein with an amendment.

Members will recall that the Senate amendment to this legislation added to it \$216 million for payments to school districts in fiscal 1964 under the federally impacted areas program.

The new amendment would appropriate an additional \$31.2 million for fiscal 1964 for the student loan program of the National Defense Act, and would also appropriate an additional \$595,000 for fiscal 1964 for the Mexican farm labor program.

Mr. LAIRD. Mr. Speaker, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Wisconsin.

Mr. LAIRD. I would like to assure the gentleman from Oklahoma that this amendment which will be submitted tomorrow as an amendment to the Senate amendment has the complete and unanimous endorsement of our subcommittee. These are emergency items included in the supplemental request of President Johnson that was sent to the Congress last week. They are of an emergency nature and should be acted upon as soon as possible.

The student loan money is necessary for the second semester in hundreds of the colleges and universities throughout the United States. A complete list is contained in our hearings which are at the Printing Office and will be available to Members the first thing tomorrow morning.

The funds for schools in federally impacted areas is necessary because many of these school districts are at a point where they have exhausted completely their borrowing authority and, if these funds are not appropriated soon, they will not be able to even pay their teachers.

The Mexican farm labor money of \$595,000 is mostly in the compliance area, and is necessary if the Department of Labor is to be sure that the health standards, housing and other requirements of the law and the agreement with Mexico are met? There should be no objection on the part of anyone to this particular appropriation to see that these minimums standard are met in all areas of the United States where this labor is used. These compliance people

have been given their notices and will be discharged on February 7 if we do not appropriate these funds.

It is my hope that we can pass this amendment unanimously tomorrow. I thank the gentleman from Oklahoma for yielding to me.

Mr. ALBERT. I thank the gentleman for his statement.

GEORGIA MEDAL FOR DISTINGUISHED PUBLIC SERVICE TO HON. CARL VINSON

(Mr. LANDRUM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. LANDRUM. Mr. Speaker, Associated Industries of Georgia, an organization of industrial establishments and businessmen in the State of Georgia each year gives an annual award for distinguished public service. The award is designated as the Georgia Medal for Distinguished Public Service.

Last week on January 22 in Atlanta, Ga., one of our colleagues in the House, the Honorable CARL VINSON of the Sixth District of Georgia, was the recipient of this award from the Associated Industries of Georgia. The presentation address was delivered by Dr. Rufus Carrollton Harris, one of the foremost educators of the United States and presently president of Mercer University, Macon, Ga.

Mr. Speaker, I ask unanimous consent that the presentation address of Dr. Harris and the acceptance speech of our distinguished colleague, the gentleman from Georgia [Mr. VINSON], be included in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

READING THE VINSON VANE

(By Rufus Carrollton Harris)

(Presentation address Georgia Medal for Distinguished Public Service, Associated Industries of Georgia, January 22, 1964, Atlanta, Ga.)

A short while ago, in one of the world's oldest cities, I observed the statue of a Greek philosopher cherished in the classical period of Athenian history. The base of the statue bore this quotation: "It is fit that the immortal gods should judge the errors of men; it remains for mortal beings to honor their noble endeavor." Our purpose here tonight is to honor the noble endeavor of a distinguished Georgian. It is difficult to determine if this occasion has more meaning for the notable citizen to whom the Georgia Medal for Distinguished Service is awarded, than for those who assemble here to acknowledge the significant fulfillment of a great man's dream of life.

The man chosen to receive this evening the Georgia Medal for Distinguished Service, the highest award presented by citizens of this State, has spent almost a lifetime in the public service. It would be difficult for anyone to undertake an adequate citation of his range of work and achievement. It is appropriate, however, that we should reminisce for a moment. It was in 1883 that our honoree was born on a farm a few miles from his present home at Milledgeville, Ga. He received his secondary education in Milledgeville, and at the age of 16 he enrolled at Mercer University. Even before

graduation from the law school in 1902, he began a legal career. From this I derive a pardonable satisfaction, for it was at Mercer University, I believe, that the initial steps were formed of a career destined to become as purposeful and as illustrious in the processes of government and legislation, as the exciting history of our country affords.

After the law school, he returned to Milledgeville to practice law, and in 1906 was elected solicitor for Baldwin County. But there were wider horizons ahead. In 1909 he became a representative in the Georgia General Assembly, and in the last 2 years he was named speaker pro tempore. He left the legislature to become Baldwin County court judge, and thus for a short while Milledgeville claimed her native son to administer public justice. In 1914 there existed an unexpired term in Congress from the 10th District. This was the turning point in his life. He received the Democratic nomination, and on November 3, 1914, took the oath as Congressman in the 63d Congress. He has been there continuously, including the present one, the 88th. This record of continued service is unequalled in our history. Twenty-four times he has been reelected to this post. The Nation is saddened by his announced retirement. Although an inadequate knowledge of the facts exists, and no unfairness is intended by asking more of him who has given so much, yet there are countless Georgians who carry in their hearts a lingering hope that he may carry on. Three years ago when President Lyndon Johnson presented the annual Law Day address at Mercer, he stated to me what he has said publicly: "Certainly everyone would agree that Representative VINSON is one of the great legislators of our time."

He has been chairman of a standing committee of Congress for more than 30 years, a record unequalled in the history of the House of Representatives. He served for 16 years on the House Naval Affairs Committee, which was merged into the Armed Services Committee after World War II. With the exception of a brief period when he was the ranking minority member, he has served as chairman of the Armed Services Committee. This service brought him nationwide prominence. The Democratic whip, the Honorable HALE BOGGS, states admiringly that his colleagues refer to our guest affectionately and respectfully as "the Admiral." The fact that he is one of the Nation's superior military experts is consoling to most of the Nation in these times when world disaster is so ominous. The effective development, direction and expanded use of American seapower—a power not well enough comprehended in our history—did not simply happen. Back of it was more than one great man, but primarily it was made possible by the unique position and determination of our honoree. Before he was born, of course, the American Navy had shaped the lives of many of his predecessors. But we may assert confidently that the American Navy has woven its way into and through his life as ceaselessly as a mighty river cuts through the heart of a continent.

It is the quality of a life measured by its contributions to the moral structure of its society which inspires occasions such as this. The life of Mr. VINSON has been characterized by such service, and by devotion to his family and friends. His integrity as a man has earned the respect of his associates, but his personal loyalties have earned for him the love of people. The educator chooses to relate the processes of education to the lives of men. He asserts that purpose and character in a society come chiefly from its exceptional citizens who somehow acquire exceptional understanding and motivation. I profess the end of education as commitment—the commitment of people to compassionate moral and social responsibility. This has been made manifest in the life of Mr. VINSON. He is a man of many skills. The

exceptional man must have the capacity for many. If skill were all he needed, he would do quite well for himself. But he has more. He has perspective and dwells in a sense of community with those who stir him by parallel forms of exceptional endeavor. This too is necessary, because the dream of an easy mechanical character of social progress has been shattered by the experiences of this generation. Our honoree knows there is no single, simple nor easy way to secure America's advancement. There is need for abundant exceptional service.

How well the exceptional man shall fare in the immediate future in our area depends not so much upon him as upon the area. In the right environment he will be esteemed; in the wrong environment he will be derided. The burden rests not with him, for he has no alternative but to maintain steadfastness. The burden rests rather upon all of us. In a society where regimentation of any kind is imposed, the person who allows himself to be pressured into the narrow confines of any category may appear to prosper. But in a society which is free to take shape and change according to its needs, wills, and vision, he will not do so. There only the sensitive and exceptional man will actually prosper. It would be well for us if that kind of person may walk the earth in dignity, for in order to advance we must have such people. We are beginning, I think, to strive earnestly for them, and in this complex world we must have more than a small coterie of them.

The future progress of our area cannot be turned on and off like a faucet. I believe Mr. VINSON knows that Georgia can pay no greater tribute to him and to his work than to provide opportunity for men like him in the future. That, I believe, is the basic aim of our distinguished Governor's broad educational program. Southern young people with restless curiosity, impelled to learn sometimes because they cannot help it, must be afforded the opportunity to reach unprecedented levels. They are the ones who will develop our social patterns and advance the human and commercial relations of the area. Their desire, like that of Mr. VINSON, will be to acquire the means and ways to public usefulness and personal meaning.

Deep in the heart of Georgians is generous recognition of the magnificent example of public usefulness, integrity, and commitment which our honoree's life and work have manifested. Prideful of his State but no less pridelful of his country, he has been chosen to receive the Georgia Medal for Distinguished Public Service. Ladies and gentlemen, I present this medal and the Honorable CARL VINSON.

Mr. LANDRUM. Mr. Speaker, the following is the acceptance speech of the gentleman from Georgia [Mr. VINSON].

Mr. Chairman, Governor Sanders, distinguished members of the Associated Industries of Georgia, distinguished members of the Georgia General Assembly, distinguished public officials, ladies and gentlemen, with complete candor, I can say that no honor, no award, no citation, no distinction, no medal, in fact, no recognition I have ever received can equal, in my heart and in my mind, that which you bestow upon me here tonight.

I accept this very high honor in humbleness, and with a deep sense of humility.

To the end of my days I will prize this beautiful medal and this magnificent scroll. But above all, I will cherish forever the memory of this occasion.

When I think of the many distinguished, outstanding Georgians who are far more qualified than I for this great honor, I am sure you will appreciate even more the humbleness, and the humility I feel on this occasion.

At no time in my public life have I had a privilege comparable to that which I enjoy

his resolutions and the courage of his efforts to secure their fulfillment.

His fellow Americans recall in retrospect his devotion to his lovely and accomplished wife who shared with him and with pride observed the honors which a grateful people conferred upon him, and they will recall how Caroline and John not only kindled the warmth of his fatherly love but they also recall the affection for them imprinted in the hearts of people everywhere.

But now, alas, the hopes, aspirations, and ambitions of a valiant President have been thwarted. Just a few weeks ago he commanded the respect and leadership of a free world, full of youth and promise. His was a role of action filled with conflict and anxiety. Never did people anywhere, free or slave, doubt his dedication to the dignity of man and the value of their freedom, and it was the nobility of this dedication that could have inspired him to proclaim to the world upon his inauguration: "Let every nation know * * * that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, to assure the survival and success of liberty."

John Fitzgerald Kennedy was dedicated to God, to his country, and to his fellow man. He fought valiantly in war and in peace to preserve that dedication. He accepted the truism that all men are created equal and fought until the end to convince people everywhere that discrimination between persons because of race or creed is violative of every historic document inscribed and proclaimed by the patriots who founded this Nation.

The Legislature of the State of Arizona, in further tribute to our fallen President, requests and directs the secretary of state of the State of Arizona to transmit copies of this resolution, under his hand and the great seal of the State of Arizona, to the President of the United States, to the President of the Senate of the United States, to the Speaker of the House of Representatives of the United States, and to Mrs. Jacqueline Kennedy, the widow of the late President.

Passed the house January 13, 1964, by the following vote: 79 ayes, 0 nays, 1 not voting.

Passed the senate January 14, 1964, by unanimous vote.

Approved by the Governor, January 15, 1964.

Filed in the office of the secretary of state, January 15, 1964.

FUNDS FOR STUDY OF MATTERS PERTAINING TO INTERAGENCY COORDINATION, ECONOMY, AND EFFICIENCY—REPORT OF A COMMITTEE

Mr. HUMPHREY, from the Committee on Government Operations, reported an original resolution (S. Res. 288) to provide funds for the study of matters pertaining to interagency coordination, economy, and efficiency, which, under the rule, was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Government Operations, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to interagency coordination, economy, and efficiency.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1964, through January 31, 1965, is authorized (1) to make such expenditures as it deems ad-

visable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized at its discretion to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than \$1,600 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings upon the study and investigation authorized by this resolution, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1965.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed \$135,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN (for himself, Mr. GOLDWATER, Mr. ENGLE, and Mr. KUCHEL):

S. 2465. A bill to consent to the Interstate Compact defining the boundary between the States of Arizona and California; to the Committee on the Judiciary.

By Mr. INOUYE:

S. 2466. A bill to amend the act of April 22, 1954, in order to authorize the renewal or extension of any license granted under such act to the Leahi Hospital of Honolulu, Hawaii (with accompanying papers); to the Committee on Armed Services.

By Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request):

S. 2467. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. RUSSELL when he introduced the above bill, which appear under a separate heading.)

By Mr. SPARKMAN (by request):

S. 2468. A bill to help provide adequate dwelling accommodations for more families who have low or moderate incomes, who are elderly, or who are subjected to the special problems of displacement from their homes by Government action; to promote orderly community development and growth; and to extend and amend laws relating to housing, urban renewal, and community facilities;

S. 2469. A bill to vest the Federal National Mortgage Association with fiduciary powers to facilitate the financing of its own and other mortgages, to provide for sales of and investments in beneficial interests or participation in such mortgages, and for other purposes; and

S. 2470. A bill to authorize the Veterans' Administration to extend aid on account of defects in properties purchased with financing assistance under chapter 37, title 38, United States Code; to the Committee on Banking and Currency.

(See the remarks of Mr. SPARKMAN when he introduced the above bills, which appear under a separate heading.)

By Mr. CASE:

S. 2471. A bill conferring jurisdiction upon the United States Court of Claims to hear, determine and render judgment upon the claim of Harold Braun, of Montclair, N.J.; to the Committee on the Judiciary.

By Mr. MUNDT:

S. 2472. A bill to authorize certain improvements on Big Stone Lake-Whetstone River, Minn. and S. Dak., for flood control, wildlife conservation, and other purposes; to the Committee on Public Works.

RESOLUTIONS

FUNDS FOR STUDY OF MATTERS PERTAINING TO INTERAGENCY COORDINATION, ECONOMY, AND EFFICIENCY

Mr. HUMPHREY, from the Committee on Government Operations, reported an original resolution (S. Res. 288) to provide funds for the study of matters pertaining to interagency coordination, economy, and efficiency, which, under the rule, was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. HUMPHREY, which appears under a separate heading.)

PRINTING OF ADDITIONAL COPIES OF COMMITTEE PRINT ENTITLED "ADMINISTRATION OF NATIONAL SECURITY: SELECTED PAPERS"

Mr. JACKSON submitted the following resolution (S. Res. 289); which was referred to the Committee on Rules and Administration:

Resolved, That there be printed for the use of the Committee on Government Operations 2,000 additional copies of the committee print entitled "Administration of National Security: Selected Papers," issued by that committee during the 87th Congress, 2d session.

AUTHORIZATION FOR CERTAIN CONSTRUCTION AT MILITARY INSTALLATIONS

Mr. RUSSELL. Mr. President, by request, for myself and the senior Senator from Massachusetts [Mr. SALTONSTALL], I introduce, for appropriate reference, a bill to authorize certain construction at military installations, and for other purposes, for fiscal year 1965.

I ask unanimous consent that a letter of transmittal requesting introduction of the legislation and explaining its purpose be printed in the RECORD immediately following the listing of the bill.

The PRESIDING OFFICER (Mr. METCALF in the chair). The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2467) to authorize certain construction at military installations, and for other purposes, introduced by Mr. RUSSELL (for himself and Mr. SALTONSTALL), by request, was received, read twice by its title, and referred to the Committee on Armed Services.

The letter presented by Mr. RUSSELL is as follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., January 24, 1964.

HON. CARL HAYDEN,
President pro tempore of the Senate,
Washington, D.C.

DEAR SENATOR HAYDEN: There is forwarded herewith a draft of legislation "to authorize

certain construction at military installations, and for other purposes."

This proposal is a part of the Department of Defense legislative program for 1964, and the Bureau of the Budget advises that its enactment will be in accordance with the program of the President.

This legislation would authorize military construction urgently needed by the Department of Defense at this time, and would provide additional authority to cover deficiencies in essential prior construction authorizations. The appropriation of money required for military construction is provided for in the Budget of the U.S. Government for the fiscal year 1965.

Titles I, II, and III of this legislation would authorize new construction for the Active Forces totaling \$1,032,901,000, of which \$383,663,000 is for the Department of the Army, \$273,456,000 for the Department of the Navy, and \$375,782,000 for the Department of the Air Force. Title IV would authorize new construction totaling \$30,957,000 for the Defense Agencies.

Title V would authorize construction of 12,500 new units of family housing at a cost of \$222,953,000. In addition, it contains other legislative recommendations considered necessary to implement the Department of Defense family housing program. Title VI contains general provisions which set forth authorizations and limitations generally applicable to all construction authorized by titles I through V. Section 602(5) provides a limitation of \$711 million for all costs of family housing for fiscal year 1965.

Title VII totaling \$34,450,000 would authorize construction for the Reserve components, of which \$5,450,000 is for the Army National Guard, \$5,100,000 for the Army Reserve, \$6,500,000 for the Naval and Marine Corps Reserves, \$12,800,000 for the Air National Guard, and \$4,600,000 for the Air Force Reserve. This authorization is in lump sum amounts in accordance with the amendments to chapter 133, title 10, United States Code, which were enacted in Public Law 87-554.

This proposed legislation also provides additional monetary authority for deficiencies totaling \$431,000 on projects authorized under previous laws. Of this amount, \$367,000 is for the Army, and \$64,000 for the Navy. In addition, all authorization for military construction contained in laws enacted prior to November 8, 1963 (with certain specified exceptions) would be repealed as of October 1, 1965 by this legislative proposal.

The total authorization requested in this legislative proposal for all of the agencies mentioned, including military family housing, is \$1,809,739,000.

Sincerely,

ROBERT S. McNAMARA.

PROPOSED HOUSING LEGISLATION

Mr. SPARKMAN. Mr. President, today the President has sent to Congress his housing message, and four bills were sent with it. If I correctly understand the situation, three of these bills will be referred to the Banking and Currency Committee, and presumably they will be referred by it to its Housing Subcommittee, of which I am chairman. If the fourth bill follows the course which was followed in the last Congress, that bill will be referred to the Committee on Government Operations. So I shall not introduce that bill, but shall wait for a member of that committee to introduce it.

Mr. President, the President's program is a very large and a very ambitious one. I am sure it includes many good provisions. I know it will have the effect of extending and improving some of the

programs Congress has previously passed. On the other hand, it includes some provisions of which I do not approve. Nevertheless, Mr. President, by request, I now introduce the omnibus housing bill, for reference to the Banking and Currency Committee.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2468) to help provide adequate dwelling accommodations for more families who have low or moderate incomes, who are elderly, or who are subjected to the special problems of displacement from their homes by Government action; to promote orderly community development and growth; and to extend and amend laws relating to housing, urban renewal, and community facilities, introduced by Mr. SPARKMAN, by request, was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. SPARKMAN. Mr. President, as for the other two bills, one of them provides for joint participation or pooling of FNMA and VA mortgages. I believe that will be a good development and I am very glad to introduce this bill, for reference to the Banking and Currency Committee.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2469) to vest the Federal National Mortgage Association with fiduciary powers to facilitate the financing of its own and other mortgages, to provide for sales of and investments in beneficial interests or participation in such mortgages, and for other purposes, introduced by Mr. SPARKMAN, by request, was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. SPARKMAN. Mr. President, the third bill authorizes the Veterans' Administration to extend aid on account of defects in properties purchased with financing assistance under chapter VII, title 38, United States Code. This is a subject in which our Housing Subcommittee has been very much interested. So I am glad to introduce this bill, and I request its reference to the Banking and Currency Committee.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2470) to authorize the Veterans' Administration to extend aid on account of defects in properties purchased with financing assistance under chapter 37, title 38, United States Code, introduced by Mr. SPARKMAN, by request, was received, read twice by its title, and referred to the Committee on Banking and Currency.

EXTENSION OF TIME FOR BILL TO LIE ON THE DESK

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the bill (S. 2396) to revive the office of General of the Armies of the United States and to authorize the President to appoint General of the Army Douglas MacArthur to such office, introduced by me on Decem-

ber 18, 1963, be permitted to lie on the desk until February 15, 1964, for additional cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMISSION ON THE ADMINISTRATION OF THE UNIVERSAL MILITARY TRAINING AND SERVICE ACT—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of January 16, 1964, the names of Mr. DOUGLAS, Mr. GRUENING, Mr. McGOVERN, Mr. NELSON, and Mrs. NEUBERGER were added as additional cosponsors of the bill (S. 2432) to provide for a comprehensive study and investigation of the adequacy of the present system of compulsory military training under the Universal Military Training and Service Act, and for other purposes, introduced by Mr. KEATING (for himself and other Senators) on January 16, 1964.

ANNOUNCEMENT OF HEARINGS BY HOUSING SUBCOMMITTEE OF BANKING AND CURRENCY COMMITTEE ON 1964 HOUSING ACT AND OTHER MEASURES

Mr. SPARKMAN. Mr. President I announce that the Subcommittee on Housing of the Banking and Currency Committee will begin hearings on February 3, 1964, on the President's 1964 housing bill, and other measures pending before the subcommittee. The hearings will run from February 3 through February 7, and also on February 10 and 11. They will be held in Room 5302, New Senate Office Building, and will commence at 10 a.m. each day.

The following is a list of bills, in addition to the President's 1964 bill, which are presently pending before the subcommittee which will be included in the hearings: S. 7, S. 9, S. 981, S. 1170, S. 1200, S. 1440, S. 1947, S. 1948, S. 2031, S. 2045, S. 2086, S. 2226, S. 2232, S. 2253, and H.R. 5048. In addition, should other proposals be introduced prior to the time the hearings commence, they will also be considered.

Persons wishing to testify on these measures should contact Mr. Dudley L. O'Neal, Jr., chief counsel of the subcommittee, room 5228, New Senate Office Building.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. BEALL:

Address entitled "The Growing Government and You," delivered by Robert H. Levi, president of the Hecht Co., Baltimore and Washington, before the National Retail Merchants Association, in New York City on January 6, 1964, which will appear hereafter in the Appendix.

By Mr. METCALF:

Statement adopted by the board of directors of the Montana Farmers Union, relating to beef prices.

88TH CONGRESS
2D SESSION

S. 2468

IN THE SENATE OF THE UNITED STATES

JANUARY 27, 1964

Mr. SPARKMAN (by request) introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To help provide adequate dwelling accommodations for more families who have low or moderate incomes, who are elderly, or who are subjected to the special problems of displacement from their homes by Government action; to promote orderly community development and growth; and to extend and amend laws relating to housing, urban renewal, and community facilities.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Housing and Community
- 4 Development Act of 1964".

1 TITLE I—NEW AIDS FOR DISPLACED FAMILIES
2 AND BUSINESSES, AND ELDERLY IN URBAN
3 RENEWAL AREAS

4 RELOCATION PAYMENTS TO DISPLACED PERSONS AND
5 BUSINESSES

6 SEC. 101. (a) Title I of the Housing Act of 1949 is
7 amended by adding at the end thereof the following new
8 section:

9 “RELOCATION

10 SEC. 114. (a) Notwithstanding any other provision
11 of this title, an urban renewal project may include the mak-
12 ing of payments as prescribed in this section to displaced
13 families, individuals, business concerns and nonprofit orga-
14 nizations; and any contract for financial assistance under this
15 title shall provide that the capital grant otherwise payable
16 for the project shall be increased by an amount equal to such
17 payments and that no part of the amount of such payments
18 shall be required to be contributed as part of the local grant-
19 in-aid. As used in this section, ‘displaced’ refers to dis-
20 placement from an urban renewal area made necessary by
21 (i) the acquisition of real property by a local public agency
22 or by any other public body, (ii) code enforcement activi-
23 ties undertaken in connection with an urban renewal proj-
24 ect, or (iii) a program of voluntary rehabilitation of build-

1 ings or other improvements in accordance with an urban
2 renewal plan.

3 “(b) A local public agency may pay the following to
4 any displaced business concern or nonprofit organization:

5 “(1) its reasonable and necessary moving expenses
6 and any actual direct losses of property except goodwill
7 or profit (which are incurred on and after August 7,
8 1956, and for which reimbursement or compensation
9 is not otherwise made): *Provided*, That such payments
10 shall not exceed \$3,000 (or if greater, the total certified
11 actual moving expenses); and

12 “(2) additional amounts of (i) \$1,000 upon dis-
13 placement of a private business concern, and (ii)
14 \$1,500 if such concern has not been reestablished within
15 one year following displacement and has not received
16 any relocation payment under clause (1) of this subsec-
17 tion: *Provided*, That payments may be made under this
18 clause (2) only to a business concern with average
19 annual earnings of less than \$10,000 per year and which
20 (i) was doing business in a location in the urban renewal
21 area on the date of local approval of the urban renewal
22 plan, (ii) is displaced on or after January 27, 1964, and
23 (iii) is not part of an enterprise having establishments
24 outside the urban renewal area.

1 “(c) (i) A local public agency may pay to any dis-
2 placed individual or family its reasonable and necessary mov-
3 ing expenses and any actual direct losses of property (which
4 are incurred on and after August 7, 1956, and for which re-
5 imbursement or compensation is not otherwise made) : *Pro-*
6 *vided*, That such payments shall not exceed \$200: *And*
7 *provided further*, That the Administrator may authorize pay-
8 ment to individuals and families of fixed amounts (not to
9 exceed \$200 in any case) in lieu of their respective reason-
10 able and necessary moving expenses and actual direct losses
11 of property; and

12 “(ii) A local public agency may pay (in addition to any
13 amount under (i)) to any displaced family, or to any dis-
14 placed individual sixty-two years of age or over, a monthly
15 payment, for not to exceed twenty-four months, equal to one-
16 twelfth of the amount which, when added to 20 per centum
17 of the annual income of such displaced individual or family at
18 the time of its displacement, equals the average annual rental
19 required for a decent, safe, and sanitary dwelling of modest
20 standards adequate in size to accommodate the displaced in-
21 dividual or family (in the urban renewal area or in other
22 areas not generally less desirable in regard to public utilities
23 and public and commercial facilities) : *Provided*, That this
24 monthly payment shall be available only to such individual

1 or family who is displaced on or after January 27, 1964, and
2 whose income is below the limits established to determine
3 eligibility for admission to housing constructed or to be con-
4 structed in the locality under the provisions of section 221
5 (d) (3) of the National Housing Act, and such payment shall
6 not exceed the estimated proportionate amount, attributable
7 to a dwelling unit of comparable size and type, of the fixed
8 annual contribution for the most recently constructed low-
9 rent housing project assisted under the United States Housing
10 Act of 1937 in the same locality or the nearest locality of
11 comparable size and in which there exists comparable cost
12 levels: *Provided further*, That such payment shall be made
13 only to such individual or family who is unable to secure a
14 dwelling unit in a low-rent housing project assisted under the
15 United States Housing Act of 1937 or under a State or local
16 program found by the Administrator to have the same gen-
17 eral purposes as the Federal program under such Act.

18 “(d) The Administrator is authorized to establish such
19 rules and regulations as he may deem appropriate in carry-
20 ing out the provisions of this section. Except as may be
21 provided in any contract between the Administrator and a
22 local public agency, or in regulations promulgated by the
23 Administrator, determinations of any duly designated officer
24 or agency as to eligibility for and the amount of relocation

1 assistance authorized by this section shall be final and con-
 2 clusive for any purposes and not subject to review by any
 3 court or any other officer.

4 “(e) If a family or individual receiving payments
 5 under subsection (c) (ii) of this section is a displaced family
 6 or individual for the purposes of any priority or preference
 7 in admission to housing assisted under the United States
 8 Housing Act of 1937 or section 221 of the National Housing
 9 Act, the individual or family, if otherwise eligible for admis-
 10 sion to such housing, shall retain such priority or preference
 11 at the end of the period for which such payments are made.”

12 (b) Any contract with a local public agency which was
 13 executed under this title before the date of enactment of this
 14 Act may be amended to provide for payments authorized by
 15 this section.

16 (c) Section 106 of the Housing Act of 1949 is
 17 amended by striking out all of subsection (f) and re-
 18 designating subsection (g) as subsection (f).

19 REHABILITATION ASSISTANCE TO ELDERLY HOMEOWNERS
 20 IN URBAN RENEWAL AREAS

21 SEC. 102. (a) Section 220 (h) of the National Housing
 22 Act is amended by adding the following at the end thereof:

23 “(11) (A) To assist further in the improvement of the
 24 homes of elderly persons of low or moderate incomes in
 25 urban renewal areas and to avoid their displacement when

1 their homes can be improved to meet standards prescribed
2 for the area by the urban renewal plan, a home improvement
3 loan bearing interest at the same rate prescribed by the
4 Commissioner for those mortgages which are insured under
5 section 221 (d) (3) on the basis of determinations made by
6 the Secretary of the Treasury pursuant to the proviso in sec-
7 tion 221 (d) (5), may be insured under this subsection if—

8 “(i) the borrower is sixty-two years of age or over
9 and qualifies as a low- or moderate-income person or
10 family in accordance with such regulations and require-
11 ments as may be prescribed by the Commissioner;

12 “(ii) the property, when improved with the pro-
13 ceeds of the loan, will meet the standards prescribed for
14 the area by the urban renewal plan;

15 “(iii) the property to be improved is a one- or
16 two-family home owned and occupied by the borrower;
17 and

18 “(iv) the instrument evidencing the obligation of
19 the loan contains such provisions as may be prescribed
20 by the Commissioner, including provisions that any out-
21 standing balance of the loan shall become due and pay-
22 able upon the transfer of title to the property by the
23 borrower or in event of death of the borrower (or the
24 death of the surviving spouse of the borrower).

25 “(B) Notwithstanding any other provisions of this Act,

1 the instrument evidencing the obligation of a loan insured
2 under this paragraph may permit repayment of the principal
3 amount of the loan to be deferred until the death of the
4 borrower (or the death of the surviving spouse of the bor-
5 rower) or the transfer of title to the property by the bor-
6 rower, if the amount of the loan creates a total outstanding
7 indebtedness which does not exceed 75 per centum of the
8 sum of the estimated cost of improvement and the Com-
9 missioner's estimate of the value of the property before
10 improvement.

11 “(C) Notwithstanding any other provision of this Act,
12 a home improvement loan insured pursuant to this para-
13 graph may be insured with no premium charge, with a
14 reduced premium charge, or with a premium charge for
15 such period or periods during the time the insurance is in
16 effect as the Commissioner may determine. There is hereby
17 authorized to be appropriated, out of any money in the
18 Treasury not otherwise appropriated, such amounts as may
19 be necessary to reimburse the section 220 home improve-
20 ment account for any net losses in connection with insurance
21 under this paragraph.”

22 (b) Section 220 (d) (3) (A) is amended by adding the
23 following clause at the end thereof:

24 “(v) in a case of a mortgagor who is sixty-two
25 years of age or over, who occupies a one- or two-family

1 home, and who qualifies as a low- or moderate-income
2 person in accordance with such regulations and re-
3 quirements as may be prescribed by the Commissioner,
4 the Commissioner may insure a mortgage, involving sub-
5 stantial repair or rehabilitation, and refinancing, bearing
6 interest at the same rate as prescribed by the Com-
7 missioner for those mortgages which are insured under
8 section 221 (d) (3) on the basis of determinations made
9 by the Secretary of the Treasury pursuant to the pro-
10 viso in section 221 (d) (5), and which involves a prin-
11 cipal obligation not in excess of \$10,000: *Provided*,
12 That the mortgage contains a provision that any out-
13 standing balance of the loan shall become due and pay-
14 able upon transfer of title to the property by the mort-
15 gator or in the event of death of the mortgagor (or the
16 death of the surviving spouse of the mortgagor): *Pro-*
17 *vided further*, That if the mortgage to be insured does
18 not exceed 75 per centum of the sum of the estimated
19 cost of the repair and rehabilitation and the Commis-
20 sioner's estimate of the value of the property before such
21 repair and rehabilitation, the mortgage may provide that
22 repayments to amortize the principal amount may be
23 deferred until the death of the mortgagor (or the death
24 of the surviving spouse of the mortgagor) or the trans-

1 fer of the property: *And provided further*, That notwith-
 2 standing any other provisions of this Act, a mortgage
 3 may be insured pursuant to this clause with no premium
 4 charge, with a reduced premium charge, or with a
 5 premium charge for such period or periods during the
 6 time the insurance is in effect, as the Commissioner may
 7 determine; and there is hereby authorized to be appro-
 8 priated, out of any money in the Treasury not otherwise
 9 appropriated, such amounts as may be necessary to re-
 10 imburse the section 220 Housing Insurance Fund for any
 11 net losses in connection with insurance under this clause:
 12 or”.

13 TITLE II—MORTGAGE INSURANCE PROGRAMS

14 LAND DEVELOPMENT

15 SEC. 201. The National Housing Act is amended by
 16 adding at the end thereof the following new title:

17 “TITLE X—MORTGAGE INSURANCE FOR LAND 18 DEVELOPMENT

19 “PURPOSE

20 “SEC. 1001. The purpose of this title is (1) to assist
 21 in the provision of sites for residential and related uses
 22 which are properly planned and improved to provide a
 23 suitable living environment, maintain property values, and
 24 contribute to sound and economic community growth, and
 25 (2) to encourage more orderly urban growth and develop-

1 ment through assistance in the establishment of new com-
2 munities which are so situated and planned as to permit
3 the most efficient use of public facilities, provide a basis for
4 well-balanced economic development, conserve land re-
5 sources, and meet the housing and related needs of families
6 with varying incomes and personal requirements.

7 "DEFINITIONS

8 "SEC. 1002. As used in this title—

9 " (1) the term 'mortgage' means a lien on real
10 estate in fee simple, or on a leasehold under a lease for
11 not less than ninety-nine years which is renewable; and
12 the term 'first mortgage' includes such classes of first
13 liens as are commonly given to secure advances (includ-
14 ing but not limited to advances during construction)
15 on, or the unpaid purchase price of, real estate under
16 the laws of the State in which the real estate is located,
17 together with the credit instrument or instruments, if
18 any, secured thereby, and may be in the form of trust
19 mortgages or mortgage indentures or deeds of trust
20 securing notes, bonds, or other credit instruments;

21 " (2) the terms 'mortgagee', 'mortgagor', and
22 'State' shall have the same meaning as when used in
23 section 207 of this Act;

24 " (3) the term 'improvements' means water lines
25 and water supply installations, sewer lines and sewage

1 disposal installations, roads, streets, curbs, gutters, side-
2 walks, storm drainage facilities, and other installations
3 or work, whether on or off the site of the mortgaged
4 property, which the Commissioner deems necessary or
5 desirable to prepare land primarily for residential and
6 related uses or to provide community structures or other
7 similar facilities for public or common use;

8 “(4) the term ‘basic community systems improve-
9 ments’ means major transmission lines and related plants
10 for water or sewer systems serving new communities;

11 “(5) the term ‘land development’ means the proc-
12 ess of making, installing or constructing improvements,
13 including basic community systems improvements;

14 “(6) the term ‘new community’ means a locality
15 so established and planned as to provide, on a balanced
16 internally cohesive basis, the housing, facilities, services
17 and amenities suitable and appropriate for urban living;

18 “(7) the term ‘local public body’ means a county,
19 city or other political subdivision within which a new
20 community or part of a new community is established,
21 any other political subdivision, public agency or in-
22 strumentality of one or more States, counties or political
23 subdivisions empowered under law to take or withhold
24 any action required in connection with the establishment
25 of a new community.

1 “BASIC CONDITIONS FOR INSURANCE

2 “SEC. 1003. (a) The Commissioner is authorized to
3 insure, upon such terms and conditions as he may prescribe,
4 any first mortgage (including advances on such mortgage
5 during land development) in accordance with the provisions
6 of this title and to make commitments for the insurance of
7 such mortgage prior to the date of its execution or disburse-
8 ment thereon; but no mortgage shall be insured under this
9 title after October 1, 1968, except pursuant to a commit-
10 ment to insure issued before such date.

11 “(b) To be eligible for mortgage insurance under this
12 title a mortgage shall—

13 “(1) be executed by, and cover property held by,
14 a mortgagor approved by the Commissioner;

15 “(2) be made to and be held by a mortgagee ap-
16 proved by the Commissioner;

17 “(3) cover the land developed and the improve-
18 ments made with the assistance of the mortgage insur-
19 ance unless they are in public ownership;

20 “(4) have a maturity and contain repayment pro-
21 visions satisfactory to the Commissioner;

22 “(5) bear interest (exclusive of premium charges
23 for mortgage insurance and such service charges and
24 fees as may be approved by the Commissioner) at a
25 rate satisfactory to the Commissioner, but not to exceed

1 6 per centum per annum on the amount of the principal
2 obligation outstanding at any time; and

3 “(6) contain such terms and provisions with re-
4 spect to protection of the security, payment of taxes, de-
5 linquency charges, prepayment, additional and secondary
6 liens, and other matters as the Commissioner may in his
7 discretion prescribe.

8 “(c) The Commissioner may consent to the release of
9 a part or parts of the mortgaged property from the lien of
10 the mortgage on such terms and conditions as he may
11 prescribe.

12 “(d) The Commissioner may, under such terms and
13 conditions as he may prescribe, consent to the subordination
14 of the lien of the mortgage insured under this title to the lien
15 of a mortgage upon a part or parts of the mortgaged property
16 where the subordination is necessary to obtain financing for
17 construction of a dwelling or dwellings for which application
18 for insurance of permanent financing under any other title of
19 this Act has been made.

20 “(e) In order for any mortgage to be accepted for in-
21 surance under this title—

22 “(1) the property or project shall represent an ac-
23 ceptable risk to the Land Development Insurance Fund,
24 as established by section 1008 of this title, giving con-
25 sideration to the expected contribution of the land devel-

1 opment to sound and economic community growth and
2 urban development;

3 “(2) the improvements shall comply with all ap-
4 plicable State and local governmental requirements and
5 with minimum standards approved by the Commissioner;

6 “(3) the land development shall be in accordance
7 with a plan or plans consistent with a comprehensive
8 plan which covers, or with comprehensive planning
9 being carried on for, the area in which the land is situ-
10 ated and which meets criteria established by the Hous-
11 ing and Home Finance Administrator for such compre-
12 hensive plans or planning;

13 “(4) the land development shall be undertaken and
14 carried on with a view to assuring, under such require-
15 ments and procedures as the Commissioner shall pre-
16 scribe, the use of such land for the purposes for which
17 it is to be developed within the shortest reasonable
18 period consistent with the objectives of sound and eco-
19 nomic community growth or urban development; and

20 “(5) the land developed or new community shall
21 be served by public systems for water supply and
22 sewerage consistent with other existing or prospective
23 systems in the area: *Provided*, That if the Commissioner
24 finds that a public system for water or sewerage is not
25 feasible, he may, under such assurances and conditions

1 as he may require with respect to eventual public owner-
2 ship and operation, approve an adequate privately or
3 cooperatively owned system regulated in a manner ac-
4 ceptable to the Commissioner with respect to user rates
5 and charges, capital structure, methods of operation, and
6 rate of return.

7 "SPECIAL CONDITIONS—NEW COMMUNITIES

8 "SEC. 1004. In the case of land development in connec-
9 tion with the establishment of a new community, a mortgage
10 may be insured only if it is otherwise eligible and acceptable
11 for insurance under section 1003 of this title and only
12 subject to the following conditions:

13 "(1) the mortgage shall involve a principal obliga-
14 tion in an amount (A) in the case of basic community
15 systems improvements, not to exceed the sum of 75 per
16 centum of the estimated value of the land before land
17 development, and 90 percentum of the estimated cost of
18 land development, as such land and land development
19 are required by or attributable to such improvements, or
20 (B) in the case of other land development, not to ex-
21 ceed 75 per centum of the estimated value of the security
22 as of the completion of the development to be financed
23 with assistance under this title, and not to exceed the sum
24 of 75 per centum of the estimated value of the land be-
25 fore land development and 75 per centum of the esti-

1 mated cost of such land development: *Provided*, That
2 the aggregate of principal obligations of mortgages in-
3 sured under this title with respect to any one new
4 community shall not exceed \$50,000,000;

5 “(2) the new community site shall have been ap-
6 proved by the appropriate local public body or bodies, in
7 accordance with procedures acceptable to the Housing
8 and Home Finance Administrator;

9 “(3) the land development shall be in accordance
10 with a detailed plan which has been approved by the
11 Housing and Home Finance Administrator as providing
12 reasonable assurance that the new community will be
13 planned (i) to meet the housing and related needs of
14 families with varying incomes and personal require-
15 ments, including lower income and elderly families, (ii)
16 to establish sound land use patterns, (iii) to encourage
17 the most efficient use of transportation and other area-
18 wide facilities and the provision of a level of municipal
19 or public services adequate to meet immediate and rea-
20 sonable foreseeable community needs, and (iv) to pro-
21 mote employment opportunities and future economic
22 growth in the community and urban area in which it is
23 situated; and

24 “(4) the land development shall be consistent with

1 such assurances as the Commissioner may require as to
2 actions to be taken by local public bodies in order to per-
3 mit the implementation of the new community plan.

4 “SPECIAL CONDITIONS—SUBDIVISIONS

5 “SEC. 1005. In the case of land development that is
6 not in connection with a new community, a mortgage may
7 be insured only if it is otherwise eligible and acceptable for
8 insurance under section 1003 of this title and only subject
9 to the following conditions:

10 “(1) the mortgage shall involve a principal obliga-
11 tion in an amount (A) not to exceed \$2,500,000, (B)
12 not to exceed 75 per centum of the estimated value of
13 the security as of the completion of the development to
14 be financed with assistance under this title, and (C) not
15 to exceed the sum of 50 per centum of the estimated
16 value of the land before development and 90 per centum
17 of the estimated cost of such development; and

18 “(2) the land development shall be in accordance
19 with a plan providing reasonable assurance that the
20 land will be part of a well-planned residential neighbor-
21 hood which will (A) have a long economic life, (B) be
22 protected against undesirable traffic patterns and other
23 adverse physical conditions, and (C) be served by such
24 school, playground, shopping, recreational, and other
25 facilities as the Commissioner deems adequate.

“PREMIUMS AND FEES

“SEC. 1006. The Commissioner shall collect reasonable premiums for the insurance of any mortgage under this title and shall make such additional charges as he may deem reasonable for the analysis of the new community or land development plan and the appraisal and inspection of the property and improvements. On or before January 1, 1968, the Commissioner shall make a report to the Congress concerning the premium rates and additional charges under this title which he estimates would be adequate to protect the solvency of the Land Development Insurance Fund and to provide income sufficient for the program established by this title to be self-supporting on a continuing basis.

“INSURANCE BENEFITS”

“SEC. 1007. The provisions of subsections (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 of this Act shall be applicable to mortgages insured under this title, except that as applied to such mortgages (1) all references therein to the Housing Insurance Fund or the Housing Fund shall be deemed to refer to the Land Development Insurance Fund, (2) all references therein to section 207 or section 210 shall be deemed to refer to this title, and (3) any reference to an annual premium shall be deemed

1 to refer to such premiums as the Commissioner may desig-
2 nate.

3 "INSURANCE FUND

4 "SEC. 1008. There is hereby created the Land Develop-
5 ment Insurance Fund which shall be used by the Commis-
6 sioner as a revolving fund for carrying out the provisions of
7 this title. The Commissioner is authorized to transfer to the
8 fund a sum not to exceed \$10,000,000 from the War Hous-
9 ing Fund created by section 602 of this Act. General
10 expenses of operation of the Federal Housing Administration
11 under this title may be charged to the Land Development
12 Insurance Fund.

13 "INCONTESTABILITY PROVISIONS

14 "SEC. 1009. Any contract of insurance executed by the
15 Commissioner under this title shall be conclusive evidence
16 of the eligibility of the mortgage for insurance, and the
17 validity of any contract of insurance so executed shall be
18 incontestable in the hands of an approved mortgagee from
19 the date of the execution of such contract, except for fraud
20 or misrepresentation on the part of such approved mortgagee.

21 "RULES AND REGULATIONS

22 "SEC. 1010. The Commissioner is authorized to make
23 such rules and regulations and to require such agreements as
24 he may deem necessary or desirable to carry out the pro-
25 visions of this title.

1 “TAXATION PROVISIONS

2 “SEC. 1011. Nothing in this title shall be construed to
3 exempt any real property acquired and held by the Commis-
4 sioner under this title from taxation by any State or polit-
5 ical subdivision thereof to the same extent, according to its
6 value, as other real property is taxed.

7 “COST CERTIFICATIONS

8 “SEC. 1012. (a) The Commissioner shall adopt such
9 regulations and procedures, and require such certifications,
10 as he deems reasonably necessary to assure—

11 “(1) that the outstanding balance of any mortgage
12 insured in accordance with the provisions of section
13 1004 of this title shall not at any time exceed—

14 “(A) in the case of basic community systems
15 improvements, the aggregate amount of (i) 75 per
16 centum of the value, as estimated by the Com-
17 missioner, of the mortgagor’s interest in the land
18 before development and (ii) 90 per centum of the
19 actual cost of land development attributable to such
20 improvements, as such aggregate amount is al-
21 located by the Commissioner at the time to the
22 property remaining under the lien of the mortgage;
23 and

24 “(B) in the case of other land development,
25 the aggregate amount of (i) 75 per centum of the

1 value, as estimated by the Commissioner, of the
2 mortgagor's interest in the land before land
3 development and (ii) 75 per centum of the actual
4 costs of the land development, as such aggregate
5 amount is allocated by the Commissioner at the time
6 to the property remaining under the lien of the
7 insured mortgage; and

8 “(2) that the outstanding balance of any mortgage
9 insured in accordance with the provisions of section
10 1005 of this title shall not at any time exceed the ag-
11 gregate amount of (A) 50 per centum of the value, as
12 estimated by the Commissioner, of the mortgagor's
13 interest in the land before development and (B) 90 per
14 centum of the actual costs of development, as such
15 aggregate amount is allocated by the Commissioner at
16 the time to the property remaining under the lien of the
17 insured mortgage.

18 “(b) Notwithstanding any other provision of this title,
19 the Commissioner may permit the outstanding balance of
20 any mortgage to exceed the limits set forth in subsection (a)
21 when, and to the extent that, he determines that such action
22 is necessary in order to enable the mortgagor to give priority
23 to land development in connection with the provision of
24 housing for low- and moderate-income families: *Provided*,
25 That the Commissioner shall not under this subsection

1 permit said outstanding balance at any time to exceed 85
2 per centum of the sum of the value, as estimated by the
3 Commissioner, of the mortgagor's interest in the land before
4 development and the actual cost of land development as
5 such sum is allocated by the Commissioner at the time to the
6 property remaining under the lien of the mortgage.

7 “(c) For purposes of this section, the Commissioner
8 shall require the mortgagor to certify, from time to time
9 during the development of the land, and upon completion
10 of such development but prior to final endorsement of the
11 mortgage, as to the actual costs of development. Certifica-
12 tions required pursuant to this section shall be accompanied
13 by such data and records as the Commissioner shall pre-
14 scribe. Upon the Commissioner's approval of a mortgagor's
15 certification, such certification shall be final and incontest-
16 able, except for fraud or material misrepresentation on the
17 part of the mortgagor. As used in this section, the term
18 ‘actual costs’ means the costs exclusive of kickbacks, rebates,
19 or trade discounts, to the mortgagor of the improvements,
20 including amounts paid for labor, materials, construction
21 contracts, land planning, engineers’ and architects’ fees, sur-
22 veys, taxes, and interest during development, organizational,
23 and legal expenses, such allocation of general overhead ex-
24 penses as are acceptable to the Commissioner, and allowance
25 for contractors’ profit deemed reasonable by the Commis-

1 sioner if the mortgagor is also the contractor as defined by
 2 the Commissioner, and other items of expense incidental to
 3 development which may be approved by the Commissioner.”

4 CONFORMING AMENDMENTS

5 SEC. 202. (a) Section 219 of the National Housing
 6 Act is amended by inserting “the Land Development Insur-
 7 ance Fund,” after “the Apartment Unit Insurance Fund,”.

8 (b) Section 212 of the National Housing Act is
 9 amended by inserting after the third sentence of subsection
 10 (a) of such section the following new sentence: “The pro-
 11 visions of this section shall also apply to insurance under
 12 title X with respect to laborers or mechanics employed in
 13 land development financed with the proceeds of any mort-
 14 gage insured under that title.”

15 (c) Section 302 (b) of the Federal National Mortgage
 16 Association Charter Act is amended by—

17 (1) inserting “, section 1004,” after “section 220”
 18 in the first proviso; and

19 (2) striking out “the term ‘mortgages’ ” in the last
 20 sentence and substituting “the terms ‘mortgages’ and
 21 ‘home mortgages’ ”.

22 (d) The first paragraph of section 24 of the Federal
 23 Reserve Act is amended by inserting before the last sentence
 24 the following new sentence: “Notwithstanding the limita-
 25 tions and restrictions in this section, any national banking as-

1 society may make loans for land development which are
 2 secured by mortgages insured under title X of the National
 3 Housing Act.”

4 (e) Section 5 (c) of the Home Owners Loan Act of
 5 1933 is amended by adding at the end thereof the following
 6 new paragraph:

7 “Without regard to any other provision of this subsec-
 8 tion, any such association may, to such extent as the Federal
 9 Home Loan Bank Board may by regulation permit, invest in
 10 loans, and interests in loans, secured by mortgages as to
 11 which the association has the benefit of insurance under
 12 title X of the National Housing Act or of a commitment or
 13 agreement for such insurance, and investments under this
 14 sentence shall not be included in any percentage of assets re-
 15 ferred to in this subsection.”

16 ADDITIONAL RELIEF FOR HOME MORTGAGORS IN DEFAULT
 17 DUE TO CIRCUMSTANCES BEYOND THEIR CONTROL

18 SEC. 203. (a) Section 204 of the National Housing Act
 19 is amended by striking out the fourth proviso in subsection
 20 (a) and inserting in lieu thereof the following: “*And pro-*
 21 *vided further,* That with respect to any mortgage covering a
 22 one-, two-, three-, or four-family residence insured under this
 23 Act, if the Commissioner finds, after notice of default, that
 24 the default was due to circumstances beyond the control of

1 the mortgagor, he may, upon such terms and conditions as
2 he may prescribe, (1) approve the request of the mortgagee
3 for an extension of the time for the curing of the default and
4 of the time for commencing foreclosure proceedings or for
5 otherwise acquiring title to the mortgaged property to such
6 time as the Commissioner may determine is necessary and
7 desirable to enable the mortgagor to complete the mortgage
8 payments, including an extension of time beyond the stated
9 maturity of the mortgage, and in the event of a subsequent
10 foreclosure or acquisition of the property by other means,
11 the Commissioner is authorized to include in debentures an
12 amount equal to any unpaid mortgage interest, or (2) ap-
13 prove a modification of the terms of the mortgage for the
14 purpose of changing the amortization provisions by recast-
15 ing, over the remaining term of the mortgage or over such
16 longer period as may be approved by the Commissioner, the
17 total unpaid amount then due, as determined by the Com-
18 missioner, with the modification to become effective currently
19 or to become effective upon the termination of an agreed-
20 upon extension of the period for curing the default; and
21 the principal amount of the mortgage, as modified, shall be
22 considered to be the 'original principal obligation of the
23 mortgage' as that term is used in this Act for the purpose
24 of computing the total face value of the debentures to be

1 issued or the cash payment to be made by the Commissioner
2 to a mortgagee”.

3 (b) Section 230 of said Act is amended by striking out
4 the first sentence and inserting in lieu thereof the following:
5 “Upon receiving notice of the default of any mortgage cover-
6 ing a one-, two-, three-, or four-family residence heretofore
7 or hereafter insured under this Act, the Commissioner, in his
8 discretion, and for the purpose of avoiding foreclosure of the
9 mortgage, and notwithstanding the fact that he has previ-
10 ously approved a request of the mortgagee for an extension
11 of the time for curing the defaulted mortgage and of the time
12 for commencing foreclosure proceedings or for otherwise
13 acquiring title to the mortgaged property, or has approved
14 a modification of the mortgage for the purpose of changing
15 the amortization provisions by recasting the unpaid balance,
16 may acquire the loan and security therefor upon payment of
17 the insurance benefits (by issuance to the mortgagee of
18 debentures, or by payment of cash or issuance of debentures
19 if the loan is insured under section 220, 221, or 233) in an
20 amount equal to the unpaid principal balance of the loan
21 plus any unpaid mortgage interest plus reimbursement for
22 such costs and attorney’s fees as the Commissioner finds were
23 properly incurred in connection with the defaulted mortgage
24 and its assignment to the Commissioner, and for any proper

1 insured under this Act after or not more than three years
 2 prior to enactment of the Housing and Community Develop-
 3 ment Act of 1964.

4 “(b) The Commissioner shall by regulations prescribe
 5 the terms and conditions under which expenditures and pay-
 6 ments may be made under the provisions of this section, and
 7 his decisions regarding such expenditures or payments, and
 8 the terms and conditions under which the same are approved
 9 or disapproved, shall be final and conclusive and shall not be
 10 subject to judicial review.”

11 HOME IMPROVEMENT LOANS OUTSIDE OF URBAN RE-
 12 NEWAL AREAS

13 SEC. 205. Section 203 (k) of the National Housing
 14 Act is amended by—

15 (1) striking out in the first sentence in designated
 16 clause (2) “economically sound” and inserting in lieu
 17 thereof “an acceptable risk”;

18 (2) striking out in the first sentence designated
 19 clause (4) and inserting in lieu thereof the following:
 20 “(4) insurance benefits shall be paid in cash out of
 21 the section 203 Home Improvement Account or in
 22 debentures executed in the name of such Account.”; and

23 (3) striking out in the third sentence “Debentures
 24 issued with respect to loans insured under this sub-

1 section shall be issued” and inserting in lieu thereof
 2 “Insurance benefits paid with respect to loans insured
 3 under this subsection shall be paid”.

4 MORTGAGE LIMITS FOR HOMES

5 SEC. 206 (a) Section 203 (b) (2) of the National
 6 Housing Act is amended by striking out “\$25,000”, “\$27,-
 7 500”, “\$27,500”, and “\$35,000” and inserting in lieu there-
 8 of “\$30,000”, “\$32,500”, “\$32,500”, and “\$37,500”,
 9 respectively.

10 (b) Section 203 (i) of the National Housing Act is
 11 amended by—

12 (1) striking out “\$9,000” and inserting in lieu
 13 thereof “\$11,000”, and

14 (2) inserting the following after the second pro-
 15 viso: “*Provided further*, That notwithstanding the re-
 16 quirements of this subsection, the Commissioner may in
 17 his discretion insure under this section a mortgage on
 18 a dwelling to be used by the mortgagor for vacation
 19 purposes if the amount of the mortgage is not in excess
 20 of 90 per centum of the appraised value of the property
 21 and he finds that the project with respect to which the
 22 mortgage is executed is an acceptable risk:”.

1 **TITLE III—URBAN RENEWAL AND GROWTH**

2 **LOAN CONTRACT FOR TWO OR MORE PROJECTS**

3 **SEC. 301.** (a) Section 102 (a) of the Housing Act of
4 1949 is amended by adding at the end thereof: “Notwith-
5 standing any other provisions of this title, the Administrator
6 may make a temporary loan, as described in the first two
7 sentences of this subsection, for two or more urban renewal
8 projects being carried out by the same local public agency.
9 Such a loan (outstanding at any one time) shall be for an
10 amount not exceeding the estimated expenditures to be made
11 by the local public agency for such projects.”

12 (b) Section 110 (g) of the Housing Act of 1949 is
13 amended by striking out in the first sentence thereof the
14 words “for any project”.

15 **GENERAL NEIGHBORHOOD RENEWAL PLANS**

16 **SEC. 302.** Section 102 (d) of the Housing Act of 1949 is
17 amended by striking out the fifth sentence and inserting in
18 lieu thereof: “In order to facilitate proper preliminary plan-
19 ning for the attainment of the urban renewal objectives of
20 this title, the Administrator may also make advances of funds
21 (in addition to those authorized above) to local public agen-
22 cies for the preparation of General Neighborhood Renewal

1 Plans (as herein defined). A general Neighborhood Re-
 2 newal Plan may be prepared for an area consisting of an
 3 urban renewal area or areas, together with any adjoining
 4 areas having specially related problems, and which is of such
 5 size that the urban renewal activities in the urban renewal
 6 area or areas may have to be initiated in stages, consistent
 7 with the capacity and resources of the respective local public
 8 agency over an estimated period of not more than ten years.”

9 INCREASED CAPITAL GRANTS FOR REDEVELOPMENT AREAS

10 SEC. 303. Section 103 (a) (2) (B) of the Housing Act
 11 of 1949 is amended by striking out the words “the second
 12 sentence of section 5 (a)” and inserting in lieu thereof “sec-
 13 tion 5”.

14 CAPITAL GRANT AUTHORIZATION

15 SEC. 304. Section 103 (b) of the Housing Act of 1949
 16 is amended by striking out “not to exceed \$4,000,000,000”
 17 and inserting “not to exceed \$5,400,000,000” in lieu thereof.

18 FEASIBLE METHOD FOR RELOCATION OF INDIVIDUALS

19 SEC. 305. (a) Section 105 (c) of the Housing Act of
 20 1949 is amended by striking out “families” wherever that
 21 term appears and inserting in lieu thereof “individuals and
 22 families”.

23 (b) The requirement imposed by the amendment con-
 24 tained in subsection (a) of this section shall not be appli-

1 cable to any project receiving Federal recognition prior to
2 the effective date of this Act.

3 DISPOSAL OF LAND FOR LOW- AND MODERATE-INCOME
4 HOUSING

5 SEC. 306. (a) Subsection (b) of section 107 of the
6 Housing Act of 1949 is redesignated as subsection (a) and
7 is amended by inserting after the word "families" the words
8 "or individuals".

9 (b) Subsection (a) of section 107 of the Housing Act
10 of 1949 is redesignated as subsection (b) and is amended
11 by—

12 (1) striking out all that appears before the proviso
13 and inserting in lieu thereof the following: "When it
14 appears in the public interest that real property acquired
15 as part of an urban renewal project should be used in
16 whole or in part for a low-rent housing project assisted
17 under the United States Housing Act of 1937, or under
18 a State or local program found by the Administrator to
19 have the same general purposes as the Federal program
20 under such Act, the property shall be made available to
21 the public housing agency undertaking the low-rent
22 housing project at a price equal to its fair value, as deter-

1 mined in accordance with subsection (a), and such
2 amount shall be included as part of the development
3 cost of such low-rent housing project:";

4 (2) striking out the word "land" where it first ap-
5 pears in the proviso and inserting in lieu thereof "prop-
6 erty"; and

7 (3) striking out the word "site" where it first ap-
8 pears in the proviso and inserting in lieu thereof
9 "property".

10 INCREASE NONRESIDENTIAL EXCEPTION

11 SEC. 307. The fifth sentence of section 110 (c) of the
12 Housing Act of 1949 is amended by striking out "30 per
13 centum" in the second proviso and inserting in lieu thereof
14 "35 per centum".

15 AMENDMENT OF DEFINITION OF "GOING FEDERAL RATE"

16 SEC. 308. Section 110 (g) of the Housing Act of 1949
17 is amended by striking out the last sentence and inserting
18 in lieu thereof: "Any contract for loan or advance, author-
19 ized by the Administrator after the effective date of the
20 Housing and Community Development Act of 1964, shall
21 provide for a single interest rate which shall be applicable
22 also to future amendments of the contract which provide ad-
23 ditional funds thereunder and shall further provide for a
24 periodic revision of the interest rate on the balance outstand-
25 ing or to be outstanding on such loan or advance, based on

1 the going Federal rate on the date of such revision: *Pro-*
 2 *vided*, That any contract for loan or advance authorized prior
 3 to the effective date of the Housing and Community Devel-
 4 opment Act of 1964 shall be amended (with the first amend-
 5 ment to such contract authorized after the effective date of
 6 such Act) to provide for such a single interest rate (based
 7 on the going Federal rate at the time such amendment is
 8 authorized) and for periodic revision thereof.”.

9 URBAN RENEWAL DEMONSTRATION PROGRAM

10 SEC. 309. Section 314 of the Housing Act of 1954 is
 11 amended by—

12 (1) inserting “(a)” after “314.” at the beginning
 13 of the section;

14 (2) inserting the following before the period at the
 15 end of the second sentence: “: *Provided*, That such a
 16 grant may cover the full cost of writing and publishing
 17 reports on such activities and undertakings”;

18 (3) inserting “activities and” before “undertak-
 19 ings” in the third sentence; and

20 (4) striking out the last two sentences and insert-
 21 ing in lieu thereof two new paragraphs, as follows:

22 “(b). The Administrator is further authorized to pay
 23 for the cost of (1) writing and publishing reports on activi-
 24 ties and undertakings financed by grants made under this
 25 section, as well as reports on similar activities and under-

1 takings, not so financed, which are of significant value in
 2 furthering the purposes of this section, and (2) writing and
 3 publishing summaries and other informational material on
 4 such reports.

5 “(c) The aggregate amount of grants made under sub-
 6 section (a) and costs incurred pursuant to subsection (b)
 7 shall not exceed \$10,000,000 and shall be payable from
 8 the grant funds provided under and authorized by section
 9 103 (b) of the Housing Act of 1949. The Administrator
 10 may make advance or progress payments on account of any
 11 contract entered into pursuant to this section, notwithstand-
 12 ing the provisions of section 3648 of the Revised Statutes,
 13 as amended.”

14 URBAN AND REGIONAL PLANNING GRANTS

15 SEC. 310. (a) Section 701 (a) of the Housing Act of
 16 1954 is amended by deleting “resulting from rapid urban-
 17 ization” in clause (B) of paragraph (1).

18 (b) Section 701 (a) of the Housing Act of 1954 is
 19 amended by—

20 (1) deleting “and” at the end of paragraph (4) ;

21 (2) striking out the period at the end of paragraph

22 (5) and inserting in lieu thereof a semicolon; and

23 (3) adding a new paragraph (6) after paragraph

24 (5), as follows:

25 “(6) metropolitan and regional planning agen-

cies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1) of this subsection; and”.

(c) Section 701 (a) of the Housing Act of 1954 is amended by striking out “(a)” after “section 5” in paragraph (3).

(d) Section 701 (b) of the Housing Act of 1954 is amended by striking out the proviso in the first sentence and inserting in lieu thereof: “*Provided*, That such a grant may be in an amount not exceeding three-fourths of such estimated cost for planning being carried out for a city, other municipality, county, group of adjacent communities, or Indian reservation in an area designated by the Secretary of Commerce as a redevelopment area under section 5 of the Area Redevelopment Act”.

PLANNING GRANT AUTHORIZATION

SEC. 311. Section 701 (b) of the Housing Act of 1954 is amended by striking out “not exceeding \$75,000,000” in the fifth sentence and inserting in lieu thereof “such amounts as may be necessary”.

1 PLANNING GRANTS FOR NEW COMMUNITIES

2 SEC. 312. Section 701 of the Housing Act of 1954 is
3 amended by striking out all after "rapid urbanization" in
4 paragraph (4) of subsection (a) and inserting in lieu thereof
5 "(A) has resulted or is expected to result from the establish-
6 ment or rapid and substantial expansion of a Federal installa-
7 tion, or (B) is expected to result from the establishment of a
8 new community as defined in title X of the National Housing
9 Act; and".

10 PLANNING GRANTS FOR INDIAN RESERVATIONS

11 SEC. 313. (a) Section 701 (a) of the Housing Act of
12 1954 is amended by—

13 (1) deleting "and" at the end of clause (B) of
14 paragraph (1);

15 (2) inserting ", and (D) Indian reservations" be-
16 fore the semicolon at the end of paragraph (1); and

17 (3) adding a new paragraph (7) after paragraph
18 (6), as follows:

19 "(7) tribal planning councils or other tribal
20 bodies designated by the Secretary of the Interior
21 for planning for an Indian reservation to which no
22 State planning agency or other agency or instru-
23 mentality is empowered to provide planning assist-
24 ance under clause (D) of paragraph (1) above."

25 (b) Section 701 (d) of such Act is amended by—

(1) striking out “and urban regions” in the first sentence and inserting in lieu thereof “urban regions, and Indian reservations”; and

(2) inserting the following after “instrumentalities” in the second sentence: “, and to Indian tribal bodies,”.

TITLE IV—HOUSING FOR LOW INCOME

FAMILIES

ELIGIBILITY OF DISPLACED INDIVIDUALS

SEC. 401. (a) Section 2(2) of the United States Housing Act of 1937 is amended to read as follows:

“(2) The term ‘families of low income’ means families (including elderly and displaced families) who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term ‘families’ includes single persons only in the case of elderly families, displaced families, and the remaining members of tenant families. The term ‘elderly families’ means families whose heads (or their spouses), or whose sole members, have attained the age at which an individual may elect to receive an old age benefit under title II of the Social Security Act or who are under a disability as defined in section 223 of that Act. The term ‘displaced families’ means families displaced by urban renewal or other governmental action.”

1 (b) Section 10 (g) (2) of said Act is amended by strik-
2 ing out "those displaced by urban renewal or other govern-
3 mental action" and inserting in lieu thereof "displaced
4 families".

5 (c) Section 15 (7) (b) of said Act is amended by striking
6 out "family displaced by urban renewal or other govern-
7 mental action" and inserting in lieu thereof "displaced family".

8 ADDITIONAL SUBSIDY FOR URBAN RENEWAL AND LOW-RENT
9 HOUSING DISPLACEDS

10 SEC. 402. Section 10 (a) of the United States Housing
11 Act of 1937 is amended by striking out the period at the
12 end of the first proviso and inserting in lieu thereof a colon
13 and the following: "*Provided further*, That such an addi-
14 tional payment may also be made, on the same terms and
15 conditions and subject to the same limitations, with respect
16 to a unit occupied on the last day of the project fiscal year
17 by a displaced family if such family was displaced by an
18 urban renewal or low-rent housing project on or after
19 January 27, 1964, and if and to the extent that the rental
20 of such unit was less than the rental which, in the deter-
21 mination of the Authority based on average or estimated
22 average project rentals, would have been established in
23 leasing the unit to another family which was neither an
24 elderly family nor similarly displaced."

1 CERTIFICATION OF EQUIVALENT ELIMINATION

2 SEC. 403. Section 10 (a) of the United States Housing
3 Act of 1937 is amended by inserting immediately before
4 the comma after the word "elimination", where the word
5 first appears, the following: " , as certified by the local
6 governing body".

7 ACQUISITION AND LEASE OF EXISTING HOUSING

8 SEC. 404. Section 10 (c) of the United States Housing
9 Act of 1937 is amended by striking out "*And provided*" and
10 inserting in lieu thereof "*Provided*", and by inserting a colon
11 and the following proviso before the period at the end there-
12 of: "*And provided further*, That the amount of the fixed
13 annual contribution which would be established under this
14 Act for a newly constructed project by a public housing
15 agency designed to accommodate a number of families of a
16 given size and kind may be established, as a maximum
17 annual contribution in lieu of any other guaranteed con-
18 tribution authorized under this section, for a project by such
19 public housing agency which would provide housing for the
20 comparable number, sizes and kinds of families through the
21 acquisition, acquisition and rehabilitation, or use under lease
22 of existing structures which are suitable for low-rent housing
23 use and available in the local market".

1 INCREASE IN AUTHORIZATION FOR ANNUAL CONTRIBUTIONS

2 SEC. 405. Section 10 (e) of the United States Housing
3 Act of 1937 is amended by inserting immediately following
4 the comma after the words "per annum", the following:
5 "which limit shall be increased by \$46,000,000 on the date
6 of the enactment of the Housing and Community Develop-
7 ment Act of 1964, and by further amounts of \$46,000,000
8 on July 1 in each of the years 1965, 1966 and 1967,
9 respectively,".

10 RELOCATION OF FAMILIES AND INDIVIDUALS DISPLACED
11 FROM PROJECT SITES

12 SEC. 406. (a) Section 15 (7) (b) of the United States
13 Housing Act of 1937 is amended by striking out the word
14 "and" before "(ii)" and by striking out the period at the end
15 of the section and inserting in lieu thereof a semicolon and
16 the following "and (iii) unless the public housing agency has
17 demonstrated to the satisfaction of the Authority that there
18 is a feasible method for the temporary relocation of the in-
19 dividuals and families displaced from the project site, and
20 that there are or are being provided, in the project or in order
21 areas not generally less desirable in regard to public utilities
22 and public and commercial facilities and at rents or prices
23 within the financial means of the individuals and families dis-
24 placed from the project site, decent, safe, and sanitary dwell-
25 ings equal in number to the number of and available to such

1 displaced individuals and families and reasonably accessible
2 to their places of employment.”

3 (b) Subsection (a) of this section shall not be applicable
4 with respect to any project for which an application for pre-
5 liminary loan has been approved by the local governing
6 body prior to the effective date of this Act.

7 RELOCATION PAYMENTS

8 SEC. 407. Section 15 of the United States Housing Act
9 of 1937 is amended by adding at the end thereof a new para-
10 graph (8) as follows:

11 “(8) In order to permit public housing agencies to
12 make relocation payments as defined in this subsection, the
13 Authority may authorize the cost of such payments to be
14 included with the development or acquisition cost of any
15 project for purposes of determining the amount of loans and
16 annual contributions authorized to be made with respect to
17 such project under sections 9 and 10 of this Act, but such
18 shall be separately stated as relocation costs and shall be ex-
19 cluded from any amounts on which the computation of annual
20 contributions is based for purposes of determining the amount
21 of local contributions required with respect to such project
22 under section 10 (h) of this Act. As used in this paragraph,
23 the term ‘relocation payment’ means a payment (1) which
24 is made to an individual, family, business concern, or non-
25 profit organization displaced on or after January 27, 1964,

1 from a low-rent housing project site as a result of the acqui-
 2 tion of real property by a public housing agency, (2) which
 3 is not otherwise authorized under any Federal law, and (3)
 4 which is made only on such terms and conditions, and sub-
 5 ject to such limitations, as are authorized (as of the time
 6 such payment is approved) under sections 114(b) and
 7 (c) of the Housing Act of 1949 for relocation payments
 8 made to individuals, families, business concerns, and non-
 9 profit organizations pursuant to such sections: *Provided*,
 10 That the provisions of section 114(e) of the Housing Act
 11 of 1949 shall be applicable with respect to families and in-
 12 dividuals receiving relocation payments pursuant to this para-
 13 graph if such payments are of the kind described in section
 14 114(c) (ii) of the Housing Act of 1949.”.

15 LOW-INCOME HOUSING DEMONSTRATION PROGRAM

16 AUTHORIZATION

17 SEC. 408. Section 207 of the Housing Act of 1961 is
 18 amended by striking out “\$5,000,000” and inserting in lieu
 19 thereof “\$10,000,000”.

20 TITLE V—RURAL HOUSING LOANS AND GRANTS

21 EXTENSION OF SENIOR CITIZENS RENTAL HOUSING

22 SEC. 501. Section 515 of the Housing Act of 1949 is
 23 amended by deleting “1964” in clause (5) of subsection
 24 (b) and inserting in lieu thereof “1968”.

INSURED RURAL HOUSING LOANS

1 SEC. 502. (a) Section 502 (a) of the Housing Act of
2 1949 is amended by striking out “with interest at a rate not
3 to exceed 4 per centum per annum on the unpaid balance of
4 principal.” and inserting in lieu thereof the following: “with
5 interest for loans under this section at a rate not to exceed 5
6 per centum per annum and for loans under sections 503 and
7 504 at a rate not to exceed 4 per centum per annum on the
8 unpaid balance of principal. Borrowers with loans made or
9 insured under this title shall pay such fees and other charges
10 as the Secretary may require.”
11

12 (b) Title V of the Housing Act of 1949 is amended by
13 adding at the end thereof the following new sections:

14 “SEC. 516. (a) The Secretary is authorized to insure
15 and to make loans to be sold and insured in accordance with
16 the provisions of sections 501, 502, 514, 515, this section,
17 and 517, exclusive of 514 (a) (3), (4), and (5) and (b)
18 and 515 (a) and (b) (4), and except that such loans in ac-
19 cordance with sections 501 and 502—

20 “(1) to owners of nonfarm rural tracts of low or
21 moderate income as defined by the Secretary and to
22 owners of farms shall not exceed amounts necessary to
23 provide adequate housing modest in size, design, and

1 cost as determined by the Secretary, and the aggregate
2 of loans to such owners made and insured in any one
3 fiscal year shall not exceed \$300,000,000; and

4 “(2) to other owners of nonfarm rural tracts shall
5 bear interest and provide for insurance or service charges
6 at rates determined by the Secretary, not to exceed the
7 maximum rates of interest and premium charges pro-
8 vided in section 203 of the National Housing Act.

9 “(b) The Secretary may use the fund established pur-
10 suant to section 517 for the purpose of making loans to be
11 sold and insured under this section, provided that the aggre-
12 gate of such loans made and not disposed of at any one time
13 shall not exceed \$100,000,000.

14 “(c) The Secretary may insure loans advanced by
15 lenders other than the United States, and may sell and insure
16 loans made by the Secretary out of the fund, for the payment
17 of principal and interest thereon as the same becomes due.
18 Any contract of insurance executed by the Secretary shall
19 be an obligation supported by the full faith and credit of the
20 United States and incontestable except for fraud or misrep-
21 sentation of which the holder has actual knowledge. In con-
22 nection with loans insured under this section the Secretary
23 may take liens running to the United States notwithstanding
24 the fact that the notes evidencing such loans may be held by
25 lenders other than the United States. Notes evidencing such

1 loans shall be freely assignable but the Secretary shall not be
2 bound by any assignment until notice thereof is given to
3 and acknowledged by the Secretary.

4 “(d) After ninety days after the original capitalization
5 of the fund created by section 517, no loans, other than loans
6 then held or insured by the Secretary pursuant to section
7 514 or 515 (b), shall be made or insured under section 514
8 or 515 (b) except in accordance with this section.

9 “SEC. 517. (a) There is hereby created a fund, to be
10 known as the Rural Housing Insurance Fund (hereinafter
11 referred to as the ‘fund’), which shall be used by the Sec-
12 retary as a revolving fund for carrying out the provisions of
13 section 516 and this section. There are hereby authorized
14 to be appropriated to the Secretary such sums as may be
15 necessary for the purposes of the fund.

16 “(b) Money in the fund not needed for current opera-
17 tions shall be invested in direct obligations of the United
18 States or obligations guaranteed by the United States.

19 “(c) Loans made or insured under section 516 and
20 held or acquired by the Secretary, and security in connection
21 with such loans, shall become a part of the fund. Loans
22 may be held in the fund and collected in accordance with
23 their terms or may be sold by the Secretary with or without
24 agreements for insurance thereof. The Secretary is author-
25 ized to make agreements with respect to servicing such

1 loans and, when necessary for liquidation or servicing, to
2 purchase such loans on such terms and conditions as he may
3 prescribe. Loans may be sold by the Secretary at prices
4 within the range of market prices for the particular classes
5 of loans, as determined by the Secretary from time to time.
6 The aggregate of (1) any amount by which the balance
7 outstanding on loans at the time of sale exceeds the price at
8 which the loans are sold and (2) the amount of any fees
9 and charges paid in connection with any sales shall be re-
10 imbursed to the fund by annual appropriations.

11 “(d) The Secretary is authorized to make and issue
12 notes to the Secretary of the Treasury for the purpose of
13 obtaining funds necessary for discharging obligations under
14 section 516 and this section and for authorized expenditures
15 out of the fund. Such notes shall be in such form and
16 denominations and have such maturities and be subject to
17 such terms and conditions as may be prescribed by the
18 Secretary with the approval of the Secretary of the Treas-
19 ury. Such notes shall bear interest at the rate fixed by the
20 Secretary of the Treasury, taking into consideration the
21 current average market yield of outstanding marketable ob-
22 ligations of the United States having maturities comparable
23 to the notes issued by the Secretary under this section. The
24 Secretary of the Treasury is authorized and directed to pur-
25 chase any notes of the Secretary issued hereunder, and for

1 that purpose the Secretary of the Treasury is authorized
2 to use as a public debt transaction the proceeds from the
3 sale of any securities issued under the Second Liberty Bond
4 Act, as amended, and the purposes for which such securities
5 may be issued under such Act, as amended, are extended to
6 include purchases of notes issued by the Secretary. All
7 redemptions, purchases, and sales by the Secretary of the
8 Treasury of such notes shall be treated as public debt trans-
9 actions of the United States. The notes issued by the Secre-
10 tary to the Secretary of the Treasury shall become obliga-
11 tions of the fund. Except as may be authorized by Congress
12 from time to time in appropriation acts, the authority of
13 this subsection shall not extend to the original or any in-
14 creased capitalization of the fund or to the restoration of
15 any depletion of the fund occasioned by the sale of loans
16 at prices less than the balances outstanding thereon.

17 “(e) The Secretary may retain out of payments by
18 the borrower an annual charge in an amount specified in the
19 insurance or sale agreement applicable to the loan. Out of
20 the charges retained by the Secretary, if any, not to exceed
21 one-half of 1 per centum of the unpaid balance of the loan
22 shall be deposited in the fund and the remainder of such
23 charges so retained, if any, shall be available for administra-
24 tive expenses in carrying out the provisions of this title, to
25 be transferred annually and become merged with any appro-

1 p_riation for administrative expenses of the Farmers Home
2 Administration.

3 “(f) The Secretary may also utilize the fund—

4 “(1) to pay amounts to which the holder of the
5 note is entitled in accordance with insurance or sales
6 agreements under this title accruing between the date of
7 any prepayment by the borrower and the date of trans-
8 mittal of any such prepayments to the holder of the note.
9 In the discretion of the Secretary, prepayments other
10 than final payments need not be remitted to the holder
11 until due;

12 “(2) to pay the holder of any note insured under
13 this title any defaulted installment or, upon assignment
14 of the note to the Secretary at the Secretary's request,
15 the entire balance outstanding on the note;

16 “(3) to pay taxes, insurance, prior liens, expenses
17 necessary to make fiscal adjustments in connection with
18 the application and transmittal of collections, and other
19 expenses and advances to protect the security for loans
20 which are insured under this title or held in the fund and
21 to acquire such security property at foreclosure sale or
22 otherwise; and

23 “(4) to pay fees and charges in connection with
24 sales by the Secretary of loans insured under this title.”

1 FNMA SECONDARY MARKET OPERATIONS FOR RURAL
2 HOUSING INSURED LOANS

3 SEC. 503. (a) Section 302 (b) of the Federal National
4 Mortgage Association Charter Act is amended by—

5 (1) inserting after “which are insured under the
6 National Housing Act” and before the comma the fol-
7 lowing: “or title V of the Housing Act of 1949”;

8 (2) striking out in clause (2) of the first proviso
9 “a Federal, State,” and inserting in lieu thereof “a Fed-
10 eral instrumentality or, except a mortgage insured under
11 title V of the Housing Act of 1949, a State,”; and

12 (3) inserting in the last sentence before the period
13 the following: “or title V of the Housing Act of 1949”.

14 (b) Section 303 (b) of the Federal National Mortgage
15 Association Charter Act is amended by inserting “and
16 other” in the first sentence, after “private”.

17 LOANS AND GRANTS TO DOMESTIC FARM LABORERS FOR
18 ESSENTIAL DWELLING REPAIRS

19 SEC. 504. (a) The first sentence of section 504 (a) of
20 the Housing Act of 1949 is amended to read as follows: “In
21 the event the Secretary determines that an individual who
22 meets the requirements of eligibility set forth in section
23 501 (c), or who is a domestic farm laborer, cannot qualify
24 for a loan under the provisions of section 502 or 503 and that

1 repairs or improvements should be made to a dwelling occu-
2 pied by him, in order to make such dwelling safe and sanitary
3 and remove hazards to the health of the occupant, his family,
4 or the community, or that repairs should be made to farm
5 buildings in order to remove hazards and make such buildings
6 safe, the Secretary may make a grant or a combined loan and
7 grant to such individual to cover the cost of improvements
8 or additions, such as repairing roofs, providing toilet facilities,
9 providing a convenient and sanitary water supply, supplying
10 screens, repairing or providing structural supports, or making
11 other similar repairs or improvements: *Provided, however,*
12 That assistance to domestic farm laborers under this subsec-
13 tion may be provided only to repair or improve a dwelling
14 in a rural area occupied by the applicant or his family for a
15 substantial portion of the year and only upon such conditions
16 as the Secretary shall prescribe to assure that the major bene-
17 fits of such assistance will accrue to the applicant and his
18 family, or to the applicant and his family and other domestic
19 farm laborers.”

20 (b) Section 504 of such Act is further amended by add-
21 ing at the end thereof a new subsection as follows:

22 “(c) As used in this section, the term ‘domestic farm
23 laborer’ means a citizen of the United States who receives a
24 substantial portion (as determined by the Secretary) of his

1 income as a laborer on a farm or farms situated in the United
2 States.”

3 DEFINITION OF DOMESTIC FARM LABOR

4 SEC. 505. Clause (3) of section 514 (f) of the Housing
5 Act of 1949 is amended to read as follows: “(3) the term
6 ‘domestic farm labor’ means persons who receive a substan-
7 tial portion (as determined by the Secretary) of their income
8 as laborers on farms situated in the United States and either
9 (A) are citizens of the United States or (B) reside in the
10 United States after being legally admitted for permanent resi-
11 dence therein.”

12 LOW-RENT HOUSING FOR DOMESTIC FARM LABOR

13 SEC. 506. (a) Title V of the Housing Act of 1949 is
14 further amended by adding at the end thereof the following
15 new section:

16 “FINANCIAL ASSISTANCE TO PROVIDE LOW-RENT HOUSING
17 FOR DOMESTIC FARM LABOR

18 “SEC. 518. (a) Upon the application of any nonprofit
19 organization, or nonprofit association of domestic farm labor,
20 the Secretary is authorized to provide financial assistance for
21 the provision of low-rent housing and related facilities for
22 domestic farm labor, if he finds that—

23 “(1) the housing and related facilities for which
24 financial assistance is requested will fulfill a pressing

1 need in the area in which such housing and facilities will
2 be located, and there is reasonable doubt that the same
3 can be provided without financial assistance under this
4 section;

5 “(2) the applicant will contribute, from its own
6 resources or from funds borrowed under section 514 or
7 elsewhere, at least one-third of the total development
8 cost;

9 “(3) the types of housing and related facilities to
10 be provided are most practical, giving due consideration
11 to the purposes to be served thereby and the needs of
12 the occupants thereof; and

13 “(4) the construction will be undertaken in an
14 economical manner, and the housing and related facilities
15 will not be of elaborate or extravagant design or
16 material.

17 “(b) The amount of any financial assistance provided
18 under this section for low-rent housing and related facilities
19 shall not exceed two-thirds of the total development cost
20 thereof, as determined by the Secretary, less such amount as
21 the Secretary determines can be practicably obtained from
22 other sources (including a loan under section 514).

23 “(c) No financial assistance for low-rent housing and
24 related facilities shall be made available under this section

1 unless, to any extent and for any periods required by the
2 Secretary, the applicant agrees—

3 “(1) that the rentals charged domestic farm labor
4 shall not exceed such amounts as may be approved by
5 the Secretary, giving due consideration to the income
6 and earning capacity of the tenants, and the necessary
7 costs of operating and maintaining such housing;

8 “(2) that such housing shall be maintained at all
9 times in a safe and sanitary condition in accordance with
10 such standards as may be prescribed by State or local
11 law, or, in the absence of such standards, in accordance
12 with such minimum requirements as the Secretary shall
13 prescribe; and

14 “(3) an absolute priority will be given at all
15 times in granting occupancy of such housing and facili-
16 ties to domestic farm labor.

17 “(d) The Secretary may make payments pursuant to
18 any contract for financial assistance under this section at
19 such times and in such manner as may be specified in the
20 contract. In each such contract the Secretary shall include
21 such covenants, conditions, or provisions as he deems neces-
22 sary to insure that the housing and related facilities, for
23 which financial assistance is made available, be used only in
24 conformity with the provisions of this section.

1 “(e) The Secretary shall prescribe regulations to insure
2 that Federal funds expended under this section are not
3 wasted or dissipated.

4 “(f) All laborers and mechanics employed by con-
5 tractors or subcontractors on projects assisted by the Secre-
6 tary which are undertaken by approved applicants under
7 this section shall be paid wages at rates not less than those
8 prevailing on similar construction in the locality, as deter-
9 mined by the Secretary of Labor in accordance with the
10 Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5).
11 The Secretary shall not extend any financial assistance
12 under this section for any project without first obtaining
13 adequate assurance that these labor standards will be main-
14 tained on the construction work; except that compliance
15 with such standards may be waived by the Secretary in
16 cases or classes of cases where laborers or mechanics, not
17 otherwise employed at any time on the project, voluntarily
18 donate their services without compensation for the purpose
19 of lowering the costs of construction and the Secretary
20 determines that any amounts thereby saved are fully
21 credited to the person, corporation, association, organiza-
22 tion, or other entity undertaking the project. The Secre-
23 tary of Labor shall have, with respect to the labor
24 standards specified in this section, the authority and func-
25 tions set forth in Reorganization Plan Numbered 14 of

1 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15),
2 and section 2 of the Act of June 13, 1934, as amended
3 (40 U.S.C. 276c).

4 “(g) As used in this section—

5 “(1) the term ‘low-rent housing’ means rental
6 housing within the financial reach of families of low in-
7 come consisting of (A) new structures suitable for
8 dwelling use by domestic farm labor, and (B) existing
9 structures which can be made suitable for dwelling use
10 by domestic farm labor by rehabilitation, alteration,
11 conversion, or improvement;

12 “(2) the terms ‘related facilities’ and ‘domestic
13 farm labor’ shall have the meaning assigned to them in
14 section 514 (f) ; and

15 “(3) the term ‘development cost’ shall have the
16 meaning assigned to it in section 515 (d) (4).”

17 (b) Section 513 of the Housing Act of 1949 is amended
18 by redesignating clauses “(c)” and “(d)” as clauses “(d)”
19 and “(e)”, respectively, and by inserting after the semicolon
20 at the end of clause (b) the following: “(c) not to ex-
21 ceed \$75,000,000 for financial assistance pursuant to section
22 518 for the period ending June 30, 1968;”.

23 CONFORMING AMENDMENTS

24 SEC. 507. (a) Section 506 (a) of the Housing Act of
25 1949 is amended by striking out “sections 514 and 515”

1 each place it appears and inserting in lieu thereof “sections
2 514-518”.

3 (b) Section 514(a) of the Housing Act of 1949 is
4 amended by striking out “any State or political subdivision
5 thereof, or any public or” and inserting in lieu thereof “or
6 any”.

7 TITLE VI—COMMUNITY FACILITIES

8 PUBLIC FACILITY LOANS

9 SEC. 601. (a) Section 202(a) of the Housing Amend-
10 ments of 1955 is amended by striking out in clause (1) of
11 the first sentence “instrumentalities of States” and inserting
12 in lieu thereof “instrumentalities of one or more States” and
13 by striking out “in the same State” and inserting in lieu
14 thereof “of one or more States”.

15 (b) Section 202(b)(4) of the Housing Amendments
16 of 1955 is amended by—

17 (1) striking out “the second sentence of section
18 5(a) of the Area Redevelopment Act” and inserting in
19 lieu thereof “section 5 of the Area Redevelopment Act”;

20 (2) inserting “(A)” before “to any municipal-
21 ity” in the first sentence and by striking out everything
22 following the phrase “most recent decennial census, or”
23 in that sentence and inserting in lieu thereof: “; or (B)
24 to any public agency or instrumentality serving one or
25 more municipalities, political subdivisions, or unincor-

porated areas in one or more States, unless each municipality, political subdivision, or unincorporated area to be served by the specific public work or facility for which assistance is sought under this section has a population less than the applicable figure under clause (A) according to such census.”; and

(3) inserting “(A)” after “this section” in the second sentence thereof and adding the following before the period at the end thereof: “, (B) where principal or interest on such assistance is postponed under subsection (g) of this section, or (C) where such assistance is extended to finance the construction of public works or facilities in connection with the establishment of a new community under title X of the National Housing Act”.

ADVANCE ACQUISITION OF LAND

SEC. 602. (a) Section 202 of the Housing Amendments of 1955 is further amended by inserting after subsection (a) the following new subsection (b) and redesignating the remaining subsections accordingly:

“(b) In order to encourage and assist in the timely acquisition of open or predominantly undeveloped land planned to be utilized in connection with the future construction of public works and facilities, the Housing and Home Finance Administrator is authorized to purchase the securities and obligations of, or make loans to, municipalities and

1 other political subdivisions and instrumentalities of one or
2 more States (including public agencies and instrumentalities
3 of one or more municipalities or other political subdivisions
4 of one or more States), and Indian tribes to finance the
5 acquisition of a fee simple estate or other interest in such
6 land. A loan under this subsection may be in an amount
7 which shall not exceed the total cost, as approved by the
8 Administrator, of acquiring such interest; shall be reasonably
9 secured; shall be repaid in such manner and within such
10 period, not exceeding fifteen years, as may be determined
11 by the Administrator; and shall bear interest at the rate
12 prescribed for financial assistance extended under subsection
13 (a) of this section. The Administrator in his discretion may
14 provide for the postponement of the payment of principal
15 and interest on any financial assistance extended under this
16 subsection: *Provided*, That any interest payment so deferred
17 shall accrue and be compounded semiannually. The Admin-
18 istrator shall not extend any financial assistance under this
19 subsection for the acquisition of land unless he finds that the
20 public work or facility for which such land is to be utilized
21 is planned to be constructed or initiated within a reasonable
22 period of time and that construction of such public work or
23 facility will contribute to economy, efficiency, and the com-
24 prehensively planned development of the area. The Admin-

1 istrator may set such further terms and conditions for
2 assistance under this subsection as he deems to be desirable.”

3 (b) Section 202 (e) of the Housing Amendments of
4 1955 (redesignated as section 202 (f) thereof by subsection
5 (a) of this section) is amended by striking out therein the
6 words “subsections (b) and (c)” and inserting in lieu
7 thereof “subsections (c) and (d)”.

8 (c) Section 203 (a) of the Housing Amendments of
9 1955 is amended by striking “section 202 (a)” and inserting
10 in lieu thereof “section 202 (a) and pursuant to section
11 202 (b)”.

12 GROWTH CAPACITY LOANS

13 SEC. 603. (a) Section 202 of the Housing Amend-
14 ments of 1955 is further amended by adding at the end there-
15 of a new subsection as follows:

16 “(g) Notwithstanding any other provision of this title,
17 the Administrator in his discretion may provide for the post-
18 ponement of the payment of principal and interest on finan-
19 cial assistance extended under clause (1) of subsection (a)
20 of this section whenever he determines that the specific
21 public work or facility for which such assistance is
22 sought will serve a municipality, political subdivision, or
23 other area which will experience substantial population
24 growth and that the public work or facility to be constructed

1 with financial assistance for which the repayment of prin-
2 cipal and interest is postponed pursuant to this section will be
3 needed as the result of such growth and will contribute to
4 economy, efficiency, and the comprehensively planned de-
5 velopment of the area: *Provided*, That such postponement of
6 the time of payment of principal and interest shall be for not
7 more than ten years after the year during which the finan-
8 cial assistance is extended and any interest payment so de-
9 ferred shall accrue and be compounded semiannually:
10 *Provided further*, That the financial assistance extended shall
11 be repaid, together with the interest thereon, not later than
12 fifty years after the year during which it is extended.
13 Where the Administrator finds such action necessary or de-
14 sirable to encourage financial participation by private lend-
15 ers and investors in connection with a public work or facility
16 for which principal or interest on the financial assistance
17 extended is postponed pursuant to this subsection, the se-
18 curity for such financial assistance may be made subordinate
19 and inferior to the lien or liens securing other loans made
20 in connection with such public work or facility.

21 (b) Paragraph (2) of section 202 (b) of the Housing
22 Amendments of 1955 (redesignated as section 202 (c) there-
23 of by section 602 (a) of this Act) is amended by striking
24 out the second sentence thereof.

ADVANCES FOR PUBLIC WORKS PLANNING

SEC. 604. (a) Section 702 (e) of the Housing Act of 1954 is amended to read as follows:

“(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section and all repayments and other receipts hereafter received in connection with advances made pursuant to title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-2). There are hereby authorized to be appropriated to such revolving fund such sums as may be necessary to carry out the provisions of this section.”

(b) Section 702 of the Housing Act of 1954 is amended by adding at the end thereof the following new subsection:

“(h) (1) Notwithstanding any other provision of law, if a public agency undertakes to construct only a portion of a public work planned with an advance under this section, title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791), or the Act of October 13, 1949 (63 Stat. 841-2), it shall repay such proportionate amount of

1 the advance relating to the public work as the Administra-
2 tor determines to be equitable.

3 “(2) The Administrator is authorized to terminate,
4 upon such terms and conditions as he shall deem equitable,
5 all or a portion of the liability for repayment of any advance
6 made pursuant to this section, title V of the War Mobiliza-
7 tion and Reconversion Act of 1944 or the Act of October 13,
8 1949. Whenever the Administrator determines that there is
9 no reasonable likelihood that the public work, or a portion
10 of the public work, planned with such advance will be con-
11 structed, he may terminate the agreement for the advance.
12 Such determination shall be conclusive and shall be based on
13 standards prescribed by regulations to be issued by the
14 Administrator.”

15 (c) Section 702 of the Housing Act of 1954 is amended
16 by—

17 (1) striking out in subsection (a) “public agen-
18 cies” wherever that term appears and inserting in lieu
19 thereof “public agencies and Indian tribes”;

20 (2) striking out in clause (3) of subsection (b)
21 “public agency” and inserting in lieu thereof “public
22 agency or Indian tribe”;

23 (3) striking out in subsection (c) “public agency”
24 wherever that term occurs and inserting in lieu thereof
25 “public agency or Indian tribe”, and striking out “by

1 such agency” and inserting in lieu thereof “by such
2 agency or tribe”; and

3 (4) striking out in subsection (c) the following:

4 “That if the public agency undertakes to construct only
5 a portion of a planned public work it shall repay such
6 proportionate amount of the advance relating to the pub-
7 lic work as the Administrator determines to be equita-
8 ble: *And provided further,*”.

9 (d) Section 702 (f) of the Housing Act of 1954 is
10 amended by striking out “\$50,000” and inserting in lieu
11 thereof “\$100,000”.

12 TITLE VII—FEDERAL-STATE TRAINING 13 PROGRAMS

14 FINDINGS AND PURPOSE

15 SEC. 701. (a) The Congress finds that the rapid ex-
16 pansion of the Nation’s urban areas and urban population
17 has caused severe problems in urban and suburban develop-
18 ment and created a national need to (1) provide special
19 training in skills needed for economic and efficient
20 community development and (2) support research in new
21 or improved methods of dealing with community develop-
22 ment problems.

23 (b) It is the purpose of this title to assist and en-
24 courage the States, in cooperation with public or private
25 universities and colleges and urban centers, to (1) organize,

1 initiate, develop, and expand programs which will provide
2 special training in skills needed for economic and efficient
3 community development to those technical and professional
4 people who are, or are likely to be, employed by a govern-
5 mental or public body which has responsibilities for
6 community development; and (2) support State and local
7 research that is needed in connection with housing programs
8 and needs, public improvement programing, code problems,
9 efficient land use, urban transportation, and similar
10 community development problems.

11 MATCHING GRANTS TO STATES

12 SEC. 702. (a) Subject to the provisions of this title and
13 in accordance with regulations prescribed by him, the Ad-
14 ministrator may make matching grants to States to assist
15 in—

16 (1) organizing, initiating, developing, or expand-
17 ing programs to provide special training in skills
18 needed for economic and efficient community develop-
19 ment to those technical and professional people who are,
20 or are likely to be, employed by a governmental or
21 public body which has responsibilities for community
22 development; and

23 (2) supporting State and local research that is
24 needed in connection with housing programs and needs,
25 public improvement programing, code problems,

1 efficient land use, urban transportation, and similar com-
2 munity development problems, and in collecting,
3 collating, and publishing statistics and information
4 relating to such research.

5 (b) No grants may be made to a State under this title
6 unless the Administrator has approved a plan for the State
7 which—

8 (1) sets forth the proposed use of the funds and
9 the objectives to be accomplished;

10 (2) explains the method by which the required
11 amounts from non-Federal sources will be obtained;

12 (3) provides such fiscal control and fund accounting
13 procedures as may be reasonably necessary to assure
14 proper disbursement of, and accounting for, Federal
15 funds paid to the State under this title;

16 (4) designates the officer or agency of the State
17 Government who has responsibility and authority for
18 the administration of a statewide research and training
19 program as the officer or agency with responsibility and
20 authority for the execution of the State program; and

21 (5) provides that such officer or agency will make
22 such reports to the Administrator, in such form, and
23 containing such information, as may be reasonably
24 necessary to enable the Administrator to perform his
25 duties under this title.

1 (c) No grant may be made under this title for any use
2 unless an amount at least equal to such grant is made
3 available from non-Federal sources for the same purpose
4 and for concurrent use.

5 (d) There are hereby authorized to be appropriated
6 for grants under this title \$5,000,000 for the fiscal year end-
7 ing June 30, 1965, \$15,000,000 for each of the two suc-
8 ceeding fiscal years, and \$25,000,000 for each fiscal year
9 thereafter. Any amount so appropriated may, where speci-
10 fied in an appropriation act, remain available until expended,
11 and any amount authorized but not appropriated for any
12 fiscal year may be appropriated for any succeeding fiscal
13 year.

14 ALLOTMENT AND PAYMENT

15 SEC. 703. (a) The funds appropriated under section 702
16 for a fiscal year shall be allotted by the Administrator among
17 the several States on the basis of the proportion which the
18 total urban population of each State bears to the total urban
19 population of the United States according to the most recent
20 available Bureau of the Census data: *Provided*, That no allot-
21 ment to a State shall be less than \$50,000, or more than $12\frac{1}{2}$
22 per centum of the amount appropriated in any one fiscal year.

1 (b) The amount of any State's allotment for a fiscal year
2 which the Administrator determines will not be required, for
3 the period such allotment is available, for carrying out the
4 State plan (if any) approved under section 702 shall be
5 available for reallocation from time to time as the Adminis-
6 trator may determine.

7 (c) From a State's allotment available for the purpose,
8 the Administrator may pay to such State the Federal share
9 of expenditures under the State plan. Such payments may
10 be made in advance or by way of reimbursement, in such in-
11 stallments and at such times as the Administrator may
12 determine.

13 (d) Whenever the Administrator, after full consultation
14 with the officer or agency administering a State plan, finds
15 that—

16 (1) the State plan has been so changed that it no
17 longer complies with the provisions of section 702 (b) ;
18 or

19 (2) in the administration of the plan there is a
20 failure to comply substantially with any of its provisions,
21 the Administrator shall notify such State agency or
22 officer that no further payments will be made to the

1 State under this title until he is satisfied that the change
2 or failure will be corrected. Until he is so satisfied,
3 the Administrator shall make no further payments to
4 such State under this title, or shall limit payments to
5 portions of the State plan not affected by such change
6 or failure.

7 TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF
8 INFORMATION

9 SEC. 704. In order to carry out the purpose of this
10 title, the Administrator is authorized to provide technical as-
11 sistance to State and local public bodies and to undertake such
12 studies and publish and distribute such information, either
13 directly or by contract, as he shall determine to be desirable.
14 Nothing contained in this title shall limit any authority of
15 the Administrator under any other provision of law.

16 MISCELLANEOUS

17 SEC. 705. (a) As used in this title, the term "State"
18 means any State of the United States, the District of Colum-
19 bia, the Commonwealth of Puerto Rico, and the Virgin
20 Islands; and the term "Administrator" means the Housing
21 and Home Finance Administrator.

22 (b) There are hereby authorized to be appropriated
23 such sums as may be necessary for administrative and other
24 expenses in carrying out this title.

1 TITLE VIII—MORTGAGE INSURANCE

2 PROCEDURAL AMENDMENTS

3 TIME LIMIT ON FHA RECOUPMENT OF TITLE I INSURANCE

4 PAYMENTS

5 SEC. 801. Section 2 (g) of the National Housing Act is
6 amended by striking out “after December 31, 1957,”.

7 OPTIONAL CASH PAYMENT OF INSURANCE BENEFITS

8 SEC. 802. Title V of the National Housing Act is
9 amended by adding the following section:

10 “SEC. 518. (a) Notwithstanding any other provisions
11 of this Act with respect to the payment of insurance bene-
12 fits, the Commissioner is authorized, in his discretion, to pay
13 in cash or in debentures, on the basis of regulations to be
14 issued from time to time, an insurance claim filed by a mort-
15 gagee on or after the effective date of the Housing and
16 Community Development Act of 1964 on a mortgage or a
17 loan which was insured under any section of this Act either
18 before or after such effective date. If payment is made in
19 cash, it shall be in an amount equivalent to the face amount
20 of the debentures that would otherwise be issued plus an
21 amount equivalent to the interest which the debentures
22 would have earned, computed to a date to be established
23 pursuant to regulations issued by the Commissioner.

24 “(b) The Commissioner is hereby authorized to borrow

1 from the Treasury from time to time such amounts as the
2 Commissioner shall determine are necessary to make payments
3 in cash (in lieu of issuing debentures) pursuant to the pro-
4 visions of this section. Notes or other obligations issued
5 by the Commissioner under this section shall be subject to
6 such terms and conditions as the Secretary of the Treasury
7 may prescribe. Each sum borrowed pursuant to the provi-
8 sions of this subsection shall bear interest at a rate deter-
9 mined by the Secretary of the Treasury, taking into consider-
10 ation the average market yield on outstanding marketable
11 obligations of the United States of comparable maturities
12 during the month preceding the issuance of such notes or
13 other obligations.”.

14 CHANGES IN FHA INSURANCE BENEFITS AND
15 SIMPLIFICATION OF PAYMENT PROCEDURES

16 SEC. 803. (a) Section 204 of the National Housing Act
17 is amended by—

18 (1) striking out in the third sentence of subsec-
19 tion (a) the words “insurance on the mortgaged prop-
20 erty, and any mortgage insurance premiums paid after
21 either of such dates” and inserting in lieu thereof the
22 following: “charges for the administration, operation,
23 maintenance and repair of community-owned property
24 or the maintenance and repair of the mortgaged prop-

erty, the obligation for which arises out of a covenant filed for record and approved by the Commissioner prior to the insurance of the mortgage, insurance on the mortgaged property, and any mortgage insurance premiums”;

(2) inserting after the second proviso of subsection (a) two additional provisos as follows: “*And provided further*, That with respect to a mortgage accepted for insurance pursuant to a commitment issued on or after the effective date of the Housing and Community Development Act of 1964, the Commissioner may include in debentures or in the cash payment an amount not to exceed the foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner: *And provided further*, That with respect to a mortgage accepted for insurance pursuant to a commitment issued prior to the effective date of the Housing and Community Development Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures or in the cash payment, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commis-

1 sioner, but in no event may the total allowance for such
 2 costs exceed the amount actually paid by the mort-
 3 gagee:";

4 (3) striking out "and the payment of insurance
 5 premiums" in the third proviso in subsection (a) and
 6 inserting the following at the end of that proviso preced-
 7 ing the colon: "or where claim is paid in cash pursu-
 8 ant to the provisions of section 220, 221, or 233 of this
 9 Act, there shall be included in the cash payment an
 10 amount equivalent to the compensation for loss of debent-
 11 ure interest that would be included in computing debent-
 12 ures if the claim were being paid in debentures";

13 (4) striking out "\$50" in the second sentence of
 14 subsection (c) and inserting in lieu thereof "\$350";

15 (5) striking out in the second sentence of subsection
 16 (d) ", except that debentures issued pursuant to the
 17 provisions of section 220 (f) , section 221 (g) , and sec-
 18 tion 233 may be dated as of the date the mortgage is
 19 assigned (or the property is conveyed) to the Commis-
 20 sioner, and" and inserting in lieu thereof ": *Provided,*
 21 That debentures issued pursuant to claims for insurance
 22 filed on or after the effective date of the Housing
 23 and Community Development Act of 1964 shall be dated
 24 as of the date of default or as of such later date as the

1 Commissioner, in his discretion, may establish by regu-
2 lation. The debentures”;

3 (6) adding at the end of subsection (e) the follow-
4 ing new sentence: “With respect to a mortgage accepted
5 for insurance pursuant to a commitment issued on or
6 after the effective date of the Housing and Community
7 Development Act of 1964, the provisions of this sub-
8 section shall not be applicable and a certificate of claim
9 shall not be issued.”;

10 (7) amending the first unnumbered paragraph of
11 subsection (f) to read as follows:

12 “(f) (1) If, after deducting (in such manner and
13 amount as the Commissioner shall determine to be equitable
14 and in accordance with sound accounting practice) the ex-
15 penses incurred by the Commissioner, the net amount
16 realized from any property conveyed to the Commissioner
17 under this section and the claims assigned therewith ex-
18 ceeds the face value of the debentures issued and the cash
19 paid in exchange for such property plus all interest paid on
20 such debentures, such excess shall be divided as follows:”;

21 (8) redesignating paragraph (1) of subsection (f)
22 as (i) and striking out “207; and” at the end of the
23 paragraph and inserting in lieu thereof the following:

24 “207: *Provided*, That on and after the effective date of

1 the Housing and Community Development Act of 1964,
2 any excess remaining after payment to the holder of the
3 full amount of the certificate of claim, together with
4 the accrued interest increment thereon, shall be retained
5 by the Commissioner and credited to the applicable
6 insurance fund; and”;

7 (9) redesignating paragraph (2) of subsection (f)
8 as (ii) ; and

9 (10) designating the second unnumbered para-
10 graph of subsection (f) as (2) and inserting the fol-
11 lowing preceding the period at the end thereof: “:
12 *Provided*, That the settlement authority created by the
13 Housing Amendments of 1955 shall be terminated with
14 respect to any certificates of claim outstanding as of the
15 effective date of the Housing and Community Develop-
16 ment Act of 1964.

17 “(3) With the consent of the holder thereof, the Com-
18 missioner is authorized, without awaiting the final liquidation
19 of the Commissioner’s interest in the property, to settle any
20 certificate of claim issued pursuant to subsection (e) with
21 respect to which settlement had not been effected prior to the
22 effective date of the Housing and Community Development
23 Act of 1964, by making payment in cash to the holder

1 thereof of such amount not exceeding the face amount of
2 the certificate of claim, together with the accrued interest
3 thereon, as the Commissioner may consider appropriate:
4 *Provided*, That in any case where the certificate of claim is
5 settled in accordance with the provisions of this paragraph,
6 any amounts realized after the effective date of the Housing
7 and Community Development Act of 1964, in the liquidation
8 of the Commissioner's interest in the property, shall be re-
9 tained by the Commissioner and credited to the applicable
10 insurance fund".

11 (b) Section 207 (g) of the National Housing Act is
12 amended by adding the following at the end thereof: "Not-
13 withstanding any other provisions of this Act, upon
14 receipt, after the effective date of the Housing and Com-
15 munity Development Act of 1964, of an application for
16 insurance benefits on a mortgage insured under this sec-
17 tion, the Commissioner may terminate the mortgagee's
18 obligation to pay premium charges on the mortgage."

19 (c) Sections 203 (k), 220 (f) (3), 220 (h) (6), 221
20 (g) (3), and 233 (g) of the National Housing Act are
21 each amended by adding the following sentence at the end
22 thereof: "If the insurance payment is made in cash, there
23 shall be added to such payment an amount equivalent to

1 the interest which the debentures would have earned, com-
2 puted to a date to be established pursuant to regulations
3 issued by the Commissioner.”

4 (d) Section 604 of the National Housing Act is
5 amended by—

6 (1) inserting after the first proviso in subsection
7 (a) an additional proviso as follows: “*And provided*
8 *further*, That with respect to any debentures issued on
9 or after the effective date of the Housing and Com-
10 munity Development Act of 1964, the Commissioner
11 may, with the consent of the mortgagee (in lieu of
12 issuing a certificate of claim as provided in subsection
13 (e)), include in debentures, in addition to amounts
14 otherwise allowed for such costs, an amount not to
15 exceed one-third of the total foreclosure, acquisition, and
16 conveyance costs actually paid by the mortgagee and
17 approved by the Commissioner, but in no event may
18 the total allowance for such costs exceed the amount
19 actually paid by the mortgagee.”;

20 (2) striking out “\$50” in the second sentence of
21 subsection (c) and inserting in lieu thereof “\$350”;

22 (3) striking out “default, and” in the second
23 sentence of subsection (d) and inserting in lieu thereof
24 the following: “default, except that debentures issued
25 pursuant to claims for insurance filed on or after the

1 effective date of the Housing and Community Develop-
2 ment Act of 1964, shall be dated as of the date of
3 default or as of such later date as the Commissioner, in
4 his discretion, may establish by regulation. The
5 debentures”;

6 (4) amending the first unnumbered paragraph of
7 subsection (f) to read as follows:

8 “(f) (1) If, after deducting (in such manner and
9 amount as the Commissioner shall determine to be equitable
10 and in accordance with sound accounting practice) the ex-
11 penses incurred by the Commissioner, the net amount real-
12 ized from any property conveyed to the Commissioner under
13 this section and the claims assigned therewith exceeds the
14 face value of the debentures issued and the cash paid in
15 exchange for such property plus all interest paid on such
16 debentures, such excess shall be divided as follows:”;

17 (5) redesignating paragraph (1) of subsection (f)
18 as (i) and striking out “property; and” at the end of
19 the paragraph and inserting in lieu thereof the follow-
20 ing: “property: *Provided*, That on and after the effec-
21 tive date of the Housing and Community Development
22 Act of 1964, any excess remaining after payment to the
23 holder of the full amount of the certificate of claim shall
24 be retained by the Commissioner and credited to the War
25 Housing Insurance Fund; and”;

1 (6) redesignating paragraph (2) of subsection (f)
2 as (ii) ; and

3 (7) designating the second unnumbered paragraph
4 of subsection (f) as (2) and inserting the following
5 preceding the period at the end thereof: “: *Provided*,
6 That the settlement authority created by the Housing
7 Amendments of 1955 shall be terminated with respect
8 to any certificate of claim outstanding as of the effective
9 date of the Housing and Community Development Act
10 of 1964.

11 “(3) With the consent of the holder thereof, the Com-
12 missioner is authorized to settle, without awaiting the final
13 liquidation of the Commissioner’s interest in the property,
14 any certificate of claim issued pursuant to subsection (e)
15 with respect to which a settlement had not been effected
16 prior to the effective date of the Housing and Community
17 Development Act of 1964, by making payment in cash to
18 the holder thereof of such amount, not exceeding the face
19 amount of the certificate of claim, together with the accrued
20 interest increment thereon, as the Commissioner may consider
21 appropriate: *Provided*, That in any case where the certificate
22 of claim is settled in accordance with the provisions of this
23 paragraph, any amounts realized after the effective date of
24 the Housing and Community Development Act of 1964, in
25 the liquidation of the Commissioner’s interest in the property,

1 shall be retained by the Commissioner and credited to the
2 applicable insurance fund”.

3 (e) Section 904 of the National Housing Act is
4 amended by—

5 (1) inserting after the first proviso in subsection

6 (a) an additional proviso as follows: “*And provided*
7 *further*, That with respect to any debentures issued on
8 or after the effective date of the Housing and Commu-
9 nity Development Act of 1964, the Commissioner may,
10 with the consent of the mortgagee (in lieu of issuing a
11 certificate of claim as provided in subsection (e)),
12 include in debentures, in addition to amounts otherwise
13 allowed for such costs, an amount not to exceed one-
14 third of the total foreclosure, acquisition, and conveyance
15 costs actually paid by the mortgagee and approved by
16 the Commissioner, but in no event may the total allow-
17 ance for such costs exceed the amount actually paid by
18 the mortgagee:”;

19 (2) striking out “\$50” in the second sentence of
20 subsection (c) and inserting in lieu thereof “\$350”;
21 and

22 (3) striking out “default, and” in the second sen-
23 tence of subsection (d) and inserting in lieu thereof the
24 following: “default, except that debentures issued pur-
25 suant to claims for insurance filed on or after the effec-

1 tive date of the Housing and Community Development
 2 Act of 1964 shall be dated as of the date of default or
 3 as of such later date as the Commissioner, in his dis-
 4 cretion, may establish by regulation. The debentures”.

5 REHABILITATION IN URBAN RENEWAL AREAS

6 SEC. 804. Section 220 of the National Housing Act is
 7 amended by—

8 (1) striking out the colon and the second proviso
 9 preceding the semicolon at the end of clause (i) in
 10 subsection (d) (3) (A) ;

11 (2) striking out clause (ii) in subsection (d) (3)
 12 (A) and inserting in lieu thereof the following:

13 “(ii) in a case where the mortgagor is not the occu-
 14 pant of the property and the mortgagor intends to hold
 15 the property for rental purposes, have a principal obliga-
 16 tion in an amount not to exceed (1) the amount available
 17 to a mortgagor who is the occupant of the property com-
 18 puted under the provisions of clause (i), nor (2) 90 per
 19 centum of the Commissioner’s estimate of the replace-
 20 ment cost, nor (3) 90 per centum of the sum referred to
 21 in the proviso in clause (i) ;

22 “(iii) in a case where the mortgagor is not the oc-
 23 cupant of the property and intends to hold the property
 24 for the purpose of sale, have a principal obligation in an
 25 amount not to exceed 85 per centum of the amount com-

1 puted under the provisions of clause (i), or in the alter-
2 native, an amount computed under the provisions of
3 clause (i) if the mortgagor and mortgagee assume re-
4 sponsibility in a manner satisfactory to the Commissioner
5 for the reduction of the mortgage by an amount not less
6 than 15 per centum of the outstanding principal amount
7 thereof in the event the mortgaged property is not, prior
8 to the due date of the eighteenth amortization payment
9 of the mortgage, sold to a purchaser acceptable to the
10 Commissioner who is the occupant of the property and
11 who assumes and agrees to pay the mortgage indebted-
12 ness; and

13 “(iv) in no case involving refinancing, have a prin-
14 cipal obligation in an amount exceeding the sum of the
15 estimated cost of repair and rehabilitation and the
16 amount (as determined by the Commissioner) required
17 to refinance existing indebtedness secured by the prop-
18 erty or project and any existing indebtedness incurred in
19 connection with improving, repairing or rehabilitating
20 the property; or”.

21 FHA SECTION 221 HOUSING FOR LOW- OR MODERATE-IN-
22 COME ELDERLY PERSONS

23 SEC. 805. Section 221 (c) of the National Housing Act
24 is amended by adding at the end thereof the following sen-
25 tence; “Any person sixty-two years of age or over may be

1 construed to be a family within the meaning of the terms
2 'family' or 'families' as those terms are used in this section
3 221.”.

4 MORTGAGE INSURANCE FOR SERVICEMEN

5 SEC. 806. Section 222 (b) of the National Housing Act
6 is amended by—

7 (1) striking out in paragraph (1) “203 (b) or
8 203 (i) ” and inserting in lieu thereof “203 (b) , 203 (i) ,
9 or 221 (d) (2) ,”; and

10 (2) striking out in paragraph (2) “such principal
11 obligation shall not exceed \$9,000.” and inserting in lieu
12 thereof “or section 221 (d) (2) such principal obliga-
13 tion shall not exceed the maximum limits prescribed for
14 these sections.”.

15 PRIVATE FINANCING OF SALE OF FHA-ACQUIRED

16 PROPERTIES

17 SEC. 807. Section 223 (c) of the National Housing Act
18 is amended by striking out “limitation upon eligibility con-
19 tained in this title II” and inserting in lieu thereof the fol-
20 lowing: “limitations or requirements contained in title II
21 upon the eligibility of the mortgage, the payment of insur-
22 ance premiums, or upon the terms and conditions of insur-
23 ance settlement and the benefits of the insurance to be in-
24 cluded in such settlement.”

MORTGAGE INSURANCE FOR CONDOMINIUMS

SEC. 808. (a) Section 234 of the National Housing Act is amended by—

(1) striking out the heading and inserting in lieu thereof “MORTGAGE INSURANCE FOR CONDOMINIUMS”;

(2) striking out “structure” each place it appears in this section and inserting in lieu thereof “project”;

(3) striking out in subsection (b) “the term ‘mortgage’ for the purposes of this section” and inserting in lieu thereof “the term ‘mortgage’ for the purposes of subsection (c)”;

(4) striking out in subsection (c) “this section” each time it appears and inserting in lieu thereof “this subsection”;

(5) striking out in subsection (c) “section 213” each time it appears and inserting in lieu thereof “section 213 (a) (1) and (2)”;

(6) striking out the third sentence of subsection (c) and inserting in lieu thereof the following: “To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed \$30,000, and not to exceed the sum of (i) 97 per centum of \$15,000 of the amount which the Commissioner estimates will be the ap-

1 praised value of the family unit including common areas
 2 and facilities as of the date the mortgage is accepted for
 3 insurance, (ii) 90 per centum of such value in excess of
 4 \$15,000 but not in excess of \$20,000, and (iii) 75
 5 per centum of such value in excess of \$20,000, and (B)
 6 have a maturity satisfactory to the Commissioner, but
 7 not to exceed, in any event, thirty-five years from the
 8 date of the beginning of amortization of the mortgage
 9 or three-fourths of the Commissioner's estimate of the
 10 remaining economic life of the project, whichever is the
 11 lesser."

12 (7) adding the following new subsections (d),
 13 (e), and (f) :

14 “(d) In addition to individual mortgages insured under
 15 subsection (c) of this section, the Commissioner is
 16 authorized, in his discretion and under such terms and con-
 17 ditions as he may prescribe, to insure blanket mortgages
 18 (including advances on such mortgages during construction)
 19 which cover multifamily projects to be constructed or re-
 20 habilitated, and held by a mortgagor, approved by the
 21 Commissioner, which—

22 “(1) has certified to the Commissioner, as a condi-
 23 tion of obtaining the insurance of a blanket mortgage
 24 under this subsection, that upon completion of the multi-
 25 family project covered by such mortgage it intends to

1 commit the ownership of the multifamily project to a
2 plan of family unit ownership, under which each family
3 unit would be eligible for individual mortgage insurance
4 under subsection (c) of this section and will faithfully
5 and diligently make and carry out all reasonable efforts
6 to establish such plan of family unit ownership and to
7 sell such family units to purchasers approved by the
8 Commissioner; and

9 “(2) shall be regulated or restricted by the Com-
10 missioner as to rents, charges, capital structure, rate of
11 return, and methods of operation until the termination
12 of all obligations of the Commissioner under the insur-
13 ance and during such further period of time as the
14 Commissioner shall be the owner, holder, or reinsurer
15 of the mortgage. The Commissioner may make such
16 contracts with and acquire, for not to exceed \$100,
17 such stock or interest in such mortgagor as he may
18 deem necessary to render effective the regulation and
19 restriction of such mortgagor. The stock or interest
20 acquired by the Commissioner shall be paid for out of
21 the Apartment Unit Insurance Fund, and shall be re-
22 deemed by the mortgagor at par at any time upon the
23 request of the Commissioner after the termination of
24 all obligations of the Commissioner under the insurance.

25 “(e) To be eligible for insurance, a blanket mortgage

1 any multifamily property or project of a mortgagor of the
2 character described in subsection (d) of this section shall in-
3 volve a principal obligation in an amount—

4 “(1) not to exceed \$20,000,000, or not to exceed
5 \$25,000,000, if the mortgage is executed by a mort-
6 gagor regulated or supervised under Federal or State
7 laws or by political subdivisions of States or agencies
8 thereof, as to rents, charges, and methods of operation;

9 “(2) not to exceed 90 per centum of the amount
10 which the Commissioner estimates will be the replace-
11 ment cost of the project when the proposed physical
12 improvements are completed;

13 “(3) not to exceed, for such part of the project
14 as may be attributable to dwelling use (excluding ex-
15 terior land improvements as defined by the Commis-
16 sioner), \$2,500 per room (or \$9,000 per family unit
17 if the number of rooms in the project is less than four
18 per family unit) : *Provided*, That as to projects to con-
19 sist of elevator-type structures, the Commissioner may,
20 in his discretion, increase the dollar amount limitation
21 of \$2,500 per room to not to exceed \$3,000 per room
22 and the dollar amount limitation of \$9,000 per family
23 unit to not to exceed \$9,400 per family unit, as the
24 case may be, to compensate for the higher costs inci-
25 dent to the construction of elevator-type structures of

1 sound standards of construction and design, except that
2 the Commissioner may, by regulation, increase any of
3 the foregoing dollar amount limitations contained in
4 this paragraph by not to exceed \$1,250 per room with-
5 out regard to the number of rooms being less than four,
6 or four or more, in any geographical area where he
7 finds that cost levels so require; and

8 “(4) not to exceed an amount equal to the sum
9 of the unit mortgage amounts determined under the pro-
10 visions of subsection (c) assuming the mortgagor to be
11 the owner and occupant of each family unit.

12 “(f) Any blanket mortgage insured under subsection
13 (d) of this section shall provide for complete amortiza-
14 tion by periodic payments within such terms as the Commis-
15 sioner may prescribe but not to exceed forty years from the
16 beginning of amortization of the mortgage, and shall bear
17 interest (exclusive of premium charges for insurance) at
18 not to exceed $5\frac{1}{4}$ per centum per annum, on the amount of
19 the principal obligation outstanding at any time. The Com-
20 missioner may consent to the release of a part or parts of
21 the mortgaged property from the lien of the blanket mort-
22 gage upon such terms and conditions as he may prescribe
23 and the blanket mortgage may provide for such release.
24 The property or project covered by the blanket mortgage
25 may include five or more family units and such commercial

1 and community facilities as the Commissioner deems ade-
 2 quate to serve the occupants.”;

3 (8) redesignating subsection (d) as (g), striking
 4 out “this section” each time it appears therein and in-
 5 serting in lieu thereof “subsection (c) of this section”,
 6 and striking out therein “section 204 (f) (1)” and in-
 7 serting in lieu thereof “section 204 (f) (1) (i)”;

8 (9) inserting the following new subsection (h) :

9 “(h) The provisions of subsections (d), (e), (g), (h),
 10 (i), (j), (k), (l), (m), (n), and (p) of section 207 shall
 11 be applicable to mortgages insured under subsection (d) of
 12 this section, except that all references to the Housing Insur-
 13 ance Fund, or Housing Fund, shall be construed to refer to
 14 the Apartment Unit Insurance Fund.”;

15 (10) redesignating subsection (e) as (i) ; and

16 (11) redesignating subsection (f) as (j) and
 17 amending the subsection to read as follows:

18 “(j) The provisions of sections 225 and 230 shall be
 19 applicable to the mortgages insured under subsection (c) of
 20 this section.”.

21 (b) Section 212 (a) of said Act is amended by adding
 22 at the end thereof “The provisions of this section shall also
 23 apply to the insurance of any mortgage under section
 24 234 (d).”.

(c) Section 227 (a) of said Act is amended by striking out “or (vii)” and inserting in lieu thereof “(vii)”, and by adding at the end thereof preceding the semicolon “, or (viii) under section 234 (d)”.

TRANSFER OF FUNDS

SEC. 809. Section 219 of the National Housing Act is amended by inserting “the General Surplus Account of the Mutual Mortgage Insurance Fund,” after “the Title I Housing Insurance Fund,”.

TITLE IX—MISCELLANEOUS

FNMA—REMOVAL OF \$20,000 MORTGAGE AMOUNT

LIMITATION

SEC. 901. Section 302 (b) of the Federal National Mortgage Association Charter Act is amended by—

(1) striking out “any mortgage” in clause (3) and inserting in lieu thereof “any mortgage under section 305”; and

(2) striking out the colon and the proviso preceding the period in clause (3).

FNMA—90 PER CENTUM LOANS

SEC. 902. Section 304 (a) (2) of the Federal National Mortgage Association Charter Act is amended by striking out “80 per centum” and inserting in lieu thereof “90 per centum”.

1 FNMA—PURCHASE OF PARTICIPATIONS

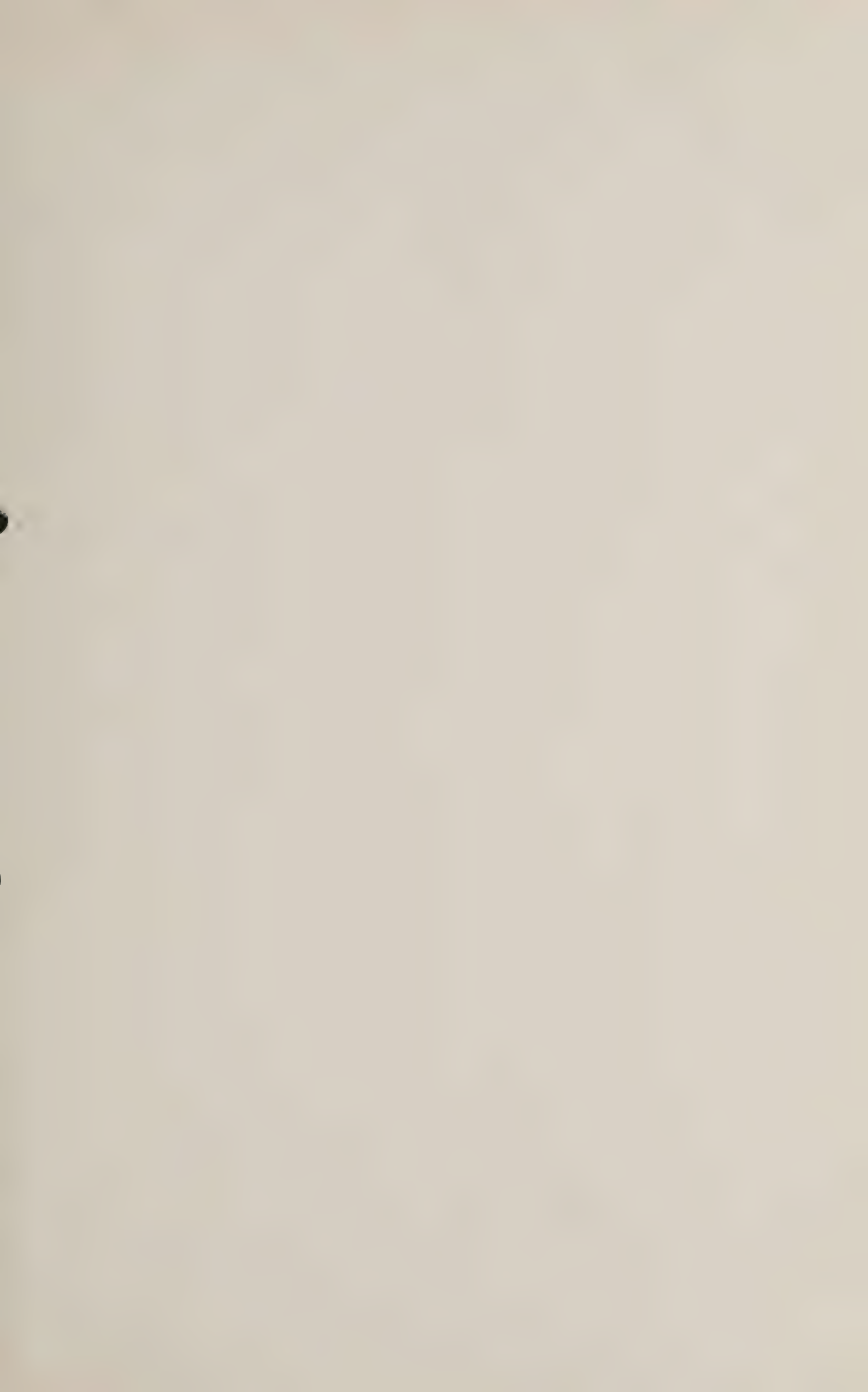
2 SEC. 903. Section 304 (d) of the Federal National Mort-
3 gage Association Charter Act is hereby repealed.

4 OPEN-SPACE PROGRAM—GRANT AUTHORIZATION

5 SEC. 904. Section 702 (b) of the Housing Act of 1961
6 is amended by adding the following at the end thereof:
7 “There are also authorized to be appropriated, after the
8 date of enactment of the Housing and Community Develop-
9 ment Act of 1964, such amounts for additional grants as
10 may be necessary to carry out the purposes of this title.
11 All funds so appropriated shall remain available until ex-
12 pended.”

13 HOUSING FOR THE ELDERLY—LOAN AUTHORIZATION

14 SEC. 905. Section 202 (a) (4) of the Housing Act of
15 1959 is amended by striking out “not to exceed \$275,000,-
16 000” and inserting in lieu thereof “such sums as may be
17 necessary to carry out the provisions of this section,”.



A BILL

To help provide adequate dwelling accommodations for more families who have low or moderate incomes, who are elderly, or who are subjected to the special problems of displacement from their homes by Government action; to promote orderly community development and growth; and to extend and amend laws relating to housing, urban renewal, and community facilities.

By Mr. SPARKMAN

JANUARY 27, 1964

Read twice and referred to the Committee on
Banking and Currency

88TH CONGRESS
2D SESSION

H. R. 9751

IN THE HOUSE OF REPRESENTATIVES

JANUARY 27, 1964

Mr. RAINS (by request) introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To help provide adequate dwelling accommodations for more families who have low or moderate incomes, who are elderly, or who are subjected to the special problems of displacement from their homes by Government action; to promote orderly community development and growth; and to extend and amend laws relating to housing, urban renewal, and community facilities.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Housing and Com-
- 4 munity Development Act of 1964".

1 TITLE I—NEW AIDS FOR DISPLACED FAMILIES
2 AND BUSINESSES, AND ELDERLY IN URBAN
3 RENEWAL AREAS

4 RELOCATION PAYMENTS TO DISPLACED PERSONS AND
5 BUSINESSES

6 SEC. 101. (a) Title I of the Housing Act of 1949 is
7 amended by adding at the end thereof the following new
8 section:

9 “RELOCATION

10 “SEC. 114. (a) Notwithstanding any other provision
11 of this title, an urban renewal project may include the mak-
12 ing of payments as prescribed in this section to displaced
13 families, individuals, business concerns, and nonprofit orga-
14 nizations; and any contract for financial assistance under
15 this title shall provide that the capital grant otherwise pay-
16 able for the project shall be increased by an amount equal to
17 such payments and that no part of the amount of such pay-
18 ments shall be required to be contributed as part of the local
19 grant-in-aid. As used in this section, “displaced” refers to
20 displacement from an urban renewal area made necessary by
21 (i) the acquisition of real property by a local public agency
22 or by any other public body, (ii) code enforcement activities
23 undertaken in connection with an urban renewal project, or
24 (iii) a program of voluntary rehabilitation of buildings or

1 other improvements in accordance with an urban renewal
2 plan.

3 “(b) A local public agency may pay the following
4 to any displaced business concern or nonprofit organization:

5 “(1) its reasonable and necessary moving expenses
6 and any actual direct losses of property except goodwill
7 or profit (which are incurred on and after August 7,
8 1956, and for which reimbursement or compensation
9 is not otherwise made) : *Provided*, That such payments
10 shall not exceed \$3,000 (or if greater, the total certi-
11 fied actual moving expenses) ; and

12 “(2) additional amounts of (i) \$1,000 upon dis-
13 placement of a private business concern, and (ii)
14 \$1,500 if such concern has not been reestablished
15 within one year following displacement and has not
16 received any relocation payment under clause (1) of
17 this subsection: *Provided*, That payments may be made
18 under this clause (2) only to a business concern with
19 average annual earnings of less than \$10,000 per year
20 and which (i) was doing business in a location in the
21 urban renewal area on the date of local approval of the
22 urban renewal plan, (ii) is displaced on or after
23 January 27, 1964, and (iii) is not part of an enterprise
24 having establishments outside the urban renewal area.

1 “(c) (i) A local public agency may pay to any displaced
2 individual or family its reasonable and necessary moving
3 expenses and any actual direct losses of property (which
4 are incurred on and after August 7, 1956, and for which
5 reimbursement or compensation is not otherwise made) :
6 *Provided*, That such payments shall not exceed \$200: *And*
7 *provided further*, That the Administrator may authorize
8 payment to individuals and families of fixed amounts (not
9 to exceed \$200 in any case) in lieu of their respective reason-
10 able and necessary moving expenses and actual direct losses
11 of property; and

12 “(ii) A local public agency may pay (in addition to
13 any amount under (i)) to any displaced family, or to any
14 displaced individual sixty-two years of age or over, a monthly
15 payment, for not to exceed twenty-four months, equal to
16 one-twelfth of the amount which, when added to 20 per centum
17 of the annual income of such displaced individual or family at
18 the time of its displacement, equals the average annual
19 rental required for a decent, safe, and sanitary dwelling of
20 modest standards adequate in size to accommodate the dis-
21 placed individual or family (in the urban renewal area or in
22 other areas not generally less desirable in regard to public
23 utilities and public and commercial facilities) : *Provided*,
24 That this monthly payment shall be available only to such
25 individual or family who is displaced on or after January 27,

1 1964, and whose income is below the limits established to de-
2 termine eligibility for admission to housing constructed or to
3 be constructed in the locality under the provisions of sec-
4 tion 221 (d) (3) of the National Housing Act, and such pay-
5 ment shall not exceed the estimated proportionate amount,
6 attributable to a dwelling unit of comparable size and type, of
7 the fixed annual contribution for the most recently con-
8 structed low-rent housing project assisted under the United
9 States Housing Act of 1937 in the same locality or the near-
10 est locality of comparable size and in which there exists com-
11 parable cost levels: *Provided further*, That such payment
12 shall be made only to such individual or family who is un-
13 able to secure a dwelling unit in a low-rent housing project
14 assisted under the United States Housing Act of 1937, or
15 under a State or local program found by the Administrator
16 to have the same general purposes as the Federal program
17 under such Act.

18 “(d) The Administrator is authorized to establish such
19 rules and regulations as he may deem appropriate in carry-
20 ing out the provisions of this section. Except as may be pro-
21 vided in any contract between the Administrator and a local
22 public agency, or in regulations promulgated by the Admin-
23 istrator, determinations of any duly designated officer or
24 agency as to eligibility for and the amount of relocation as-
25 sistance authorized by this section shall be final and con-

1 clusive for any purposes and not subject to review by any
2 court or any other officer.

3 “(e) If a family or individual receiving payments under
4 subsection (c) (ii) of this section is a displaced family or
5 individual for the purposes of priority or preference in admis-
6 sion to housing assisted under the United States Housing
7 Act of 1937 or section 221 of the National Housing Act,
8 the individual or family, if otherwise eligible for admission
9 to such housing, shall retain such priority or preference at
10 the end of the period which such payments are made.”

11 (b) Any contract with a local public agency which was
12 executed under this title before the date of enactment of
13 this Act may be amended to provide for payments authorized
14 by this section.

15 (c) Section 106 of the Housing Act of 1949 is amended
16 by striking out all of subsection (f) and redesignating sub-
17 section (g) as subsection (f).

18 REHABILITATION ASSISTANCE TO ELDERLY HOMEOWNERS
19 IN URBAN RENEWAL AREAS

20 SEC. 102. (a) Section 220 (h) of the National Housing
21 Act is amended by adding the following at the end thereof:

22 “(11) (A) To assist in the improvement of the homes
23 of elderly persons of low or moderate incomes in urban
24 renewal areas and to avoid their displacement when their
25 homes can be improved to meet standards prescribed for the

1 area by the urban renewal plan, a home improvement loan
2 bearing interest at the same rate prescribed by the Com-
3 missioner for those mortgages which are insured under sec-
4 tion 221 (d) (3) on the basis of determinations made by the
5 Secretary of the Treasury pursuant to the proviso in section
6 221 (d) (5), may be insured under this subsection if—

7 “(i) the borrower is sixty-two years of age or over
8 and qualifies as a low- or moderate-income person or
9 family in accordance with such regulations and require-
10 ments as may be prescribed by the Commissioner;

11 “(ii) the property, when improved with the
12 proceeds of the loan, will meet the standards prescribed
13 for the area by the urban renewal plan;

14 “(iii) the property to be improved is a one- or
15 two-family home owned and occupied by the borrower;
16 and

17 “(iv) the instrument evidencing the obligation of
18 the loan contains such provisions as may be prescribed
19 by the Commissioner, including provisions that any
20 outstanding balance of the loan shall become due and
21 payable upon the transfer of title to the property by the
22 borrower or in event of death of the borrower (or the
23 death of the surviving spouse of the borrower).

24 “(B) Notwithstanding any other provisions of this Act,
25 the instrument evidencing the obligation of a loan insured

1 under this paragraph may permit repayment of the principal
2 amount of the loan to be deferred until the death of the
3 borrower (or the death of the surviving spouse of the
4 borrower) or the transfer of title to the property by the
5 borrower, if the amount of the loan creates a total out-
6 standing indebtedness which does not exceed 75 per centum
7 of the sum of the estimated cost of improvement and the
8 Commissioner's estimate of the value of the property before
9 improvement.

10 “(C) Notwithstanding any other provision of this Act,
11 a home improvement loan insured pursuant to this paragraph
12 may be insured with no premium charge, with a reduced
13 premium charge, or with a premium charge for such period or
14 periods during the time the insurance is in effect as the
15 Commissioner may determine. There is hereby authorized
16 to be appropriated, out of any money in the Treasury not
17 otherwise appropriated, such amounts as may be necessary to
18 reimburse the section 220 Home Improvement Account for
19 any net losses in connection with insurance under this
20 paragraph.”

21 (b) Section 220 (d) (3) (A) is amended by adding the
22 following clause at the end thereof:

23 “(v) in a case of a mortgagor who is sixty-two years
24 of age or over, who occupies a one- or two-family home,
25 and who qualifies as a low- or moderate-income person

1 in accordance with such regulations and requirements
2 as may be prescribed by the Commissioner, the Com-
3 missioner may insure a mortgage, involving substantial
4 repair or rehabilitation, and refinancing, bearing interest
5 at the same rate as prescribed by the Commissioner for
6 those mortgages which are insured under section
7 221 (d) (3)) on the basis of determinations made by the
8 Secretary of the Treasury pursuant to the proviso in
9 section 221 (d) (5), and which involves a principal
10 obligation not in excess of \$10,000: *Provided*, That the
11 mortgage contains a provision that any outstanding
12 balance of the loan shall become due and payable upon
13 transfer of title to the property by the mortgagor or in
14 the event of death of the mortgagor (or the death of the
15 surviving spouse of the mortgagor) : *Provided further*,
16 That if the mortgage to be insured does not exceed 75
17 per centum of the sum of the estimated cost of the
18 repair and rehabilitation and the Commissioner's esti-
19 mate of the value of the property before such repair
20 and rehabilitation, the mortgage may provide that repay-
21 ments to amortize the principal amount may be deferred
22 until the death of the mortgagor (or the death of the
23 surviving spouse of the mortgagor) or the transfer of
24 the property: *And provided further*, That, notwith-

1 standing any other provisions of this Act, a mortgage
 2 may be insured pursuant to this clause with no premium
 3 charge, with a reduced premium charge, or with a pre-
 4 mium charge for such period or periods during the time
 5 the insurance is in effect, as the Commissioner may
 6 determine; and there is hereby authorized to be appro-
 7 priated, out of any money in the Treasury not otherwise
 8 appropriated, such amounts as may be necessary to
 9 reimburse the section 220 Housing Insurance Fund for
 10 any net losses in connection with insurance under this
 11 clause; or”.

12 TITLE II—MORTGAGE INSURANCE PROGRAMS

13 LAND DEVELOPMENT

14 SEC. 201. The National Housing Act is amended by
 15 adding at the end thereof the following new title:

16 “TITLE X—MORTGAGE INSURANCE FOR LAND 17 DEVELOPMENT

18 “PURPOSE

19 “SEC. 1001. The purpose of this title is (1) to assist
 20 in the provision of sites for residential and related uses which
 21 are properly planned and improved to provide a suitable
 22 living environment, maintain property values, and contribute
 23 to sound and economic community growth, and (2) to en-
 24 courage more orderly urban growth and development through
 25 assistance in the establishment of new communities which are

1 so situated and planned as to permit the most efficient use of
2 public facilities, provide a basis for well-balanced economic
3 development, conserve land resources, and meet the housing
4 and related needs of families with varying incomes and per-
5 sonal requirements.

6 "DEFINITIONS

7 "SEC. 1002. As used in this title—

8 " (1) the term 'mortgage' means a lien on real
9 estate in fee simple, or on a leasehold under a lease for
10 not less than ninety-nine years which is renewable; and
11 the term 'first mortgage' includes such classes of first
12 liens as are commonly given to secure advances (in-
13 cluding but not limited to advances during construction)
14 on, or the unpaid purchase price of, real estate under the
15 laws of the State in which the real estate is located, to-
16 gether with the credit instrument or instruments, if any,
17 secured thereby, and may be in the form of trust mort-
18 gages or mortgage indentures or deeds of trust securing
19 notes, bonds, or other credit instruments;

20 " (2) the terms 'mortgagee', 'mortgagor', and 'State'
21 shall have the same meaning as when used in section
22 207 of this Act;

23 " (3) the term 'improvements' means water lines
24 and water supply installations, sewer lines and sewage
25 disposal installations, roads, streets, curbs, gutters, side-

1 walks, storm drainage facilities, and other installations
2 or work, whether on or off the site of the mortgaged
3 property, which the Commissioner deems necessary or
4 desirable to prepare land primarily for residential and
5 related uses or to provide community structures or other
6 similar facilities for public or common use;

7 “(4) the term ‘basic community systems improve-
8 ments’ means major transmission lines and related plants
9 for water or sewer systems serving new communities;

10 “(5) the term ‘land development’ means the proc-
11 ess of making, installing, or constructing improvements,
12 including basic community systems improvements;

13 “(6) the term ‘new community’ means a locality
14 so established and planned as to provide, on a balanced
15 and internally cohesive basis, the housing, facilities, serv-
16 ices, and amenities suitable and appropriate for urban
17 living;

18 “(7) the term ‘local public body’ means a county,
19 city, or other political subdivision within which a new
20 community or part of a new community is established,
21 and any other political subdivision, public agency, or
22 instrumentality of one or more States, counties, or politi-
23 cal subdivisions empowered under law to take or with-
24 hold any action required in connection with the
25 establishment of a new community.

1 "BASIC CONDITIONS FOR INSURANCE

2 "SEC. 1003. (a) The Commissioner is authorized to
3 insure, upon such terms and conditions as he may prescribe,
4 any first mortgage (including advances on such mortgage
5 during land development) in accordance with the provi-
6 sions of this title and to make commitments for the insurance
7 of such mortgage prior to the date of its execution or dis-
8 bursement thereon; but no mortgage shall be insured under
9 this title after October 1, 1968, except pursuant to a commit-
10 ment to insure issued before such date.

11 "(b) To be eligible for mortgage insurance under this
12 title a mortgage shall—

13 "(1) be executed by, and cover property held by,
14 a mortgagor approved by the Commissioner;

15 "(2) be made to and be held by a mortgagee ap-
16 proved by the Commissioner;

17 "(3) cover the land developed and the improve-
18 ments made with the assistance of the mortgage insur-
19 ance unless they are in public ownership;

20 "(4) have a maturity and contain repayment pro-
21 visions satisfactory to the Commissioner;

22 "(5) bear interest (exclusive of premium charges
23 for mortgage insurance and such service charges and
24 fees as may be approved by the Commissioner) at a
25 rate satisfactory to the Commissioner, but not to exceed

1 6 per centum per annum on the amount of the principal
2 obligation outstanding at any time; and

3 “(6) contain such terms and provisions with respect
4 to protection of the security, payment of taxes, delin-
5 quency charges, prepayment, additional and secondary
6 liens, and other matters as the Commissioner may in
7 his discretion prescribe.

8 “(c) The Commissioner may consent to the release of a
9 part or parts of the mortgaged property from the lien of
10 the mortgage on such terms and conditions as he may
11 prescribe.

12 “(d) The Commissioner may, under such terms and
13 conditions as he may prescribe, consent to the subordination
14 of the lien of the mortgage insured under this title to the
15 lien of a mortgage upon a part or parts of the mortgaged
16 property where the subordination is necessary to obtain
17 financing for construction of a dwelling or dwellings for
18 which application for insurance of permanent financing under
19 any other title of this Act has been made.

20 “(e) In order for any mortgage to be accepted for
21 insurance under this title—

22 “(1) the property or project shall represent an
23 acceptable risk to the Land Development Insurance
24 Fund, as established by section 1008 of this title, giving
25 consideration to the expected contribution of the land

1 development to sound and economic community growth
2 and urban development;

3 “(2) the improvements shall comply with all ap-
4 plicable State and local governmental requirements and
5 with minimum standards approved by the Commissioner;

6 “(3) the land development shall be in accordance
7 with a plan or plans consistent with a comprehensive
8 plan which covers, or with comprehensive planning
9 being carried on for, the area in which the land is sit-
10 uated and which meets criteria established by the Hous-
11 ing and Home Finance Administrator for such
12 comprehensive plans or planning;

13 “(4) the land development shall be undertaken and
14 carried on with a view to assuring, under such require-
15 ments and procedures as the Commissioner shall pre-
16 scribe, the use of such land for the purposes for which
17 it is to be developed within the shortest reasonable period
18 consistent with the objectives of sound and economic
19 community growth or urban development; and

20 “(5) the land developed or new community shall
21 be served by public systems for water supply and sewer-
22 age consistent with other existing or prospective systems
23 in the area: *Provided*, That if the Commissioner finds
24 that a public system for water or sewerage is not feasible,
25 he may, under such assurances and conditions as he may

1 require with respect to eventual public ownership and
2 operation, approve an adequate privately or coopera-
3 tively owned system regulated in a manner acceptable to
4 the Commissioner with respect to user rates and charges,
5 capital structure, methods of operation, and rate of
6 return.

7 “SPECIAL CONDITIONS—NEW COMMUNITIES

8 “SEC. 1004. In the case of land development in connec-
9 tion with the establishment of a new community, a mortgage
10 may be insured only if it is otherwise eligible and acceptable
11 for insurance under section 1003 of this title and only
12 subject to the following conditions:

13 “(1) the mortgage shall involve a principal obli-
14 gation in an amount (A) in the case of basic community
15 systems improvements, not to exceed the sum of 75 per
16 centum of the estimated value of the land before land
17 development, and 90 per centum of the estimated cost of
18 land development, as such land and land development
19 are required by or attributable to such improvements, or
20 (B) in the case of other land development, not to exceed
21 75 per centum of the estimated value of the security as
22 of the completion of the development to be financed with
23 assistance under this title, and not to exceed the sum of
24 75 per centum of the estimated value of the land before
25 land development and 75 per centum of the estimated

1 cost of such land development: *Provided*, That the ag-
2 gregate of principal obligations of mortgages insured un-
3 der this title with respect to any one new community
4 shall not exceed \$50,000,000;

5 “(2) the new community site shall have been ap-
6 proved by the appropriate local public body or bodies,
7 in accordance with procedures acceptable to the Housing
8 and Home Finance Administrator;

9 “(3) the land development shall be in accordance
10 with a detailed plan which has been approved by the
11 Housing and Home Finance Administrator as providing
12 reasonable assurance that the new community will be
13 planned (i) to meet the housing and related needs of
14 families with varying incomes and personal require-
15 ments, including lower income and elderly families, (ii)
16 to establish sound land use patterns, (iii) to encourage
17 the most efficient use of transportation and other area-
18 wide facilities and the provision of a level of municipal
19 or public services adequate to meet immediate and rea-
20 sonably foreseeable community needs, and (iv) to pro-
21 mote employment opportunities and future economic
22 growth in the community and urban area in which it is
23 situated; and

24 “(4) the land development shall be consistent with

1 such assurances as the Commissioner may require as to
2 actions to be taken by local public bodies in order to
3 permit the implementation of the new community plan.

4 "SPECIAL CONDITIONS—SUBDIVISIONS

5 "SEC. 1005. In the case of land development that is not
6 in connection with a new community, a mortgage may be
7 insured only if it is otherwise eligible and acceptable for
8 insurance under section 1003 of this title and only subject
9 to the following conditions:

10 " (1) the mortgage shall involve a principal obliga-
11 tion in an amount (A) not to exceed \$2,500,000, (B)
12 not to exceed 75 per centum of the estimated value of
13 the security as of the completion of the development to
14 be financed with assistance under this title, and (C)
15 not to exceed the sum of 50 per centum of the estimated
16 value of the land before development and 90 per centum
17 of the estimated cost of such development; and

18 " (2) the land development shall be in accordance
19 with a plan providing reasonable assurance that the land
20 will be part of a well-planned residential neighborhood
21 which will (A) have a long economic life, (B) be
22 protected against undesirable traffic patterns and other
23 adverse physical conditions, and (C) be served by such
24 school, playground, shopping, recreational, and other
25 facilities as the Commissioner deems adequate.

1 "PREMIUMS AND FEES

2 "SEC. 1006. The Commissioner shall collect reasonable
3 premiums for the insurance of any mortgage under this title
4 and shall make such additional charges as he may deem
5 reasonable for the analysis of the new community or land
6 development plan and the appraisal and inspection of the
7 property and improvements. On or before January 1, 1968,
8 the Commissioner shall make a report to the Congress con-
9 cerning the premium rates and additional charges under this
10 title which he estimates would be adequate to protect the
11 solvency of the Land Development Insurance Fund and to
12 provide income sufficient for the program established by this
13 title to be self-supporting on a continuing basis.

14 "INSURANCE BENEFITS

15 "SEC. 1007. The provisions of subsections (e), (g),
16 (h), (i), (j), (k), (l), (m), (n), and (p) of section
17 207 of this Act shall be applicable to mortgages insured
18 under this title, except that as applied to such mortgages
19 (1) all references therein to the Housing Insurance Fund
20 or the Housing Fund shall be deemed to refer to the Land
21 Development Insurance Fund, (2) all references therein to
22 section 207 or section 210 shall be deemed to refer to this
23 title, and (3) any reference to an annual premium shall be
24 deemed to refer to such premiums as the Commissioner may
25 designate.

1 “INSURANCE FUND

2 “SEC. 1008. There is hereby created the Land Develop-
3 ment Insurance Fund which shall be used by the Com-
4 missioner as a revolving fund for carrying out the provisions
5 of this title. The Commissioner is authorized to transfer
6 to the Fund a sum not to exceed \$10,000,000 from the War
7 Housing Fund created by section 602 of this Act. General
8 expenses of operation of the Federal Housing Administration
9 under this title may be charged to the Land Development
10 Insurance Fund.

11 “INCONTESTABILITY PROVISIONS

12 “SEC. 1009. Any contract of insurance executed by the
13 Commissioner under this title shall be conclusive evidence of
14 the eligibility of the mortgage for insurance, and the
15 validity of any contract of insurance so executed shall be
16 incontestable in the hands of an approved mortgage from
17 the date of the execution of such contract, except for fraud
18 or misrepresentation on the part of such approved mortgagee.

19 “RULES AND REGULATIONS

20 “SEC. 1010. The Commissioner is authorized to make
21 such rules and regulations and to require such agreements
22 as he may deem necessary or desirable to carry out the
23 provisions of this title.

1 “TAXATION PROVISIONS

2 “SEC. 1011. Nothing in this title shall be construed to
3 exempt any real property acquired and held by the Com-
4 missioner under this title from taxation by any State or
5 political subdivision thereof to the same extent, according
6 to its value, as other real property is taxed.

7 “COST CERTIFICATIONS

8 “SEC. 1012. (a) The Commissioner shall adopt such
9 regulations and procedures, and require such certifications,
10 as he deems reasonably necessary to assure—

11 “(1) that the outstanding balance of any mortgage
12 insured in accordance with the provisions of section
13 1004 of this title shall not at any time exceed—

14 “(A) in the case of basic community sys-
15 tems improvements, the aggregate amount of (i)
16 75 per centum of the value, as estimated by the
17 Commissioner, of the mortgagor's interest in the
18 land before development and (ii) 90 per centum
19 of the actual cost of land development attributable
20 to such improvements, as such aggregate amount
21 is allocated by the Commissioner at the time to the
22 property remaining under the lien of the mortgage;
23 and

1 “(B) in the case of other land development,
2 the aggregate amount of (i) 75 per centum of the
3 value, as estimated by the Commissioner, of the
4 mortgagor’s interest in the land before land de-
5 velopment and (ii) 75 per centum of the actual
6 costs of the land development, as such aggregate
7 amount is allocated by the Commissioner at the
8 time to the property remaining under the lien of
9 the insured mortgage; and

10 “(2) that the outstanding balance of any mort-
11 gage insured in accordance with the provisions of section
12 1005 of this title shall not at any time exceed the ag-
13 gregate amount of (A) 50 per centum of the value,
14 as estimated by the Commissioner, of the mortgagor’s
15 interest in the land before development and (B) 90
16 per centum of the actual costs of development, as such
17 aggregate amount is allocated by the Commissioner
18 at the time to the property remaining under the lien
19 of the insured mortgage.

20 “(b) Notwithstanding any other provision of this title,
21 the Commissioner may permit the outstanding balance of
22 any mortgage to exceed the limits set forth in subsection
23 (a) when, and to the extent that, he determines that such
24 action is necessary in order to enable the mortgagor to give
25 priority to land development in connection with the provi-

1 sion of housing for low- and moderate-income families:
2 *Provided*, That the Commissioner shall not under this sub-
3 section permit said outstanding balance at any time to ex-
4 ceed 85 per centum of the sum of the value, as estimated
5 by the Commissioner, of the mortgagor's interest in the
6 land before development and the actual cost of land develop-
7 ment as such sum is allocated by the Commissioner at the
8 time to the property remaining under the lien of the
9 mortgage.

10 “(c) For purposes of this section, the Commissioner
11 shall require the mortgagor to certify, from time to time
12 during the development of the land, and upon completion of
13 such development but prior to final endorsement of the mort-
14 gage, as to the actual costs of development. Certifications
15 required pursuant to this section shall be accompanied by
16 such data and records as the Commissioner shall prescribe.
17 Upon the Commissioner's approval of a mortgagor's certifi-
18 cation, such certification shall be final and incontestable, ex-
19 cept for fraud or material misrepresentation on the part of the
20 mortgagor. As used in this section, the term ‘actual costs’
21 means the costs exclusive of kickbacks, rebates or trade dis-
22 counts, to the mortgagor of the improvements, including
23 amounts paid for labor, materials, construction contracts,
24 land planning, engineers' and architects' fees, surveys, taxes
25 and interest during development, organizational and legal

1 expenses, such allocation of general overhead expenses as are
2 acceptable to the Commissioner, and allowance for contrac-
3 tors' profit deemed reasonable by the Commissioner if the
4 mortgagor is also the contractor as defined by the Commis-
5 sioner, and other items of expense incidental to development
6 which may be approved by the Commissioner."

7 CONFORMING AMENDMENTS

8 SEC. 202. (a) Section 219 of the National Housing Act
9 is amended by inserting "the Land Development Insurance
10 Fund," after "the Apartment Unit Insurance Fund,".

11 (b) Section 212 of the National Housing Act is
12 amended by inserting after the third sentence of subsection
13 (a) of such section the following new sentence: "The pro-
14 visions of this section shall also apply to insurance under
15 title X with respect to laborers or mechanics employed in
16 land development financed with the proceeds of any mort-
17 gage insured under that title."

18 (c) Section 302 (b) of the Federal National Mortgage
19 Association Charter Act is amended by—

20 (1) inserting " , section 1004," after "section 220"
21 in the first proviso; and

22 (2) striking out "the term 'mortgages' " in the last
23 sentence and substituting "the terms 'mortgages' and
24 'home mortgages' ".

25 (d) The first paragraph of section 24 of the Federal

1 Reserve Act is amended by inserting before the last sen-
2 tence the following new sentence: "Notwithstanding the
3 limitations and restrictions in this section, any national bank-
4 ing association may make loans for land development which
5 are secured by mortgages insured under title X of the Na-
6 tional Housing Act."

7 (e) Section 5 (c) of the Home Owners Loan Act of
8 1933 is amended by adding at the end thereof the following
9 new paragraph:

10 "Without regard to any other provision of this sub-
11 section, any such association may, to such extent as the
12 Federal Home Loan Bank Board may by regulation permit,
13 invest in loans, and interests in loans, secured by mortgages
14 as to which the association has the benefit of insurance under
15 title X of the National Housing Act or of a commitment
16 or agreement for such insurance, and investments under this
17 sentence shall not be included in any percentage of assets
18 referred to in this subsection."

19 ADDITIONAL RELIEF FOR HOME MORTGAGORS IN DEFAULT
20 DUE TO CIRCUMSTANCES BEYOND THEIR CONTROL

21 SEC. 203. (a) Section 204 of the National Housing Act
22 is amended by striking out the fourth proviso in subsection
23 (a) and inserting in lieu thereof the following: "*And*
24 *provided further*, That with respect to any mortgage cover-

1 ing a one-, two-, three-, or four-family residence insured
2 under this Act, if the Commissioner finds, after notice of
3 default, that the default was due to circumstances beyond the
4 control of the mortgagor, he may, upon such terms and
5 conditions as he may prescribe, (1) approve the request of
6 the mortgagee for an extension of the time for the curing of
7 the default and of the time for commencing foreclosure
8 proceedings or for otherwise acquiring title to the mortgaged
9 property to such time as the Commissioner may determine
10 is necessary and desirable to enable the mortgagor to com-
11 plete the mortgage payments, including an extension of time
12 beyond the stated maturity of the mortgage, and in the event
13 of a subsequent foreclosure or acquisition of the property by
14 other means, the Commissioner is authorized to include in
15 debentures an amount equal to any unpaid mortgage interest,
16 or (2) approve a modification of the terms of the mortgage
17 for the purpose of changing the amortization provisions by
18 recasting, over the remaining term of the mortgage or over
19 such longer period as may be approved by the Commissioner,
20 the total unpaid amount then due, as determined by the
21 Commissioner, with the modification to become effective cur-
22 rently or to become effective upon the termination of an
23 agreed upon extension of the period for curing the default;
24 and the principal amount of the mortgage, as modified, shall
25 be considered to be the 'original principal obligation of the

1 mortgage' as that term is used in this Act for the purpose of
2 computing the total face value of the debentures to be issued
3 or the cash payment to be made by the Commissioner to a
4 mortgagee".

5 (b) Section 230 of said Act is amended by striking
6 out the first sentence and inserting in lieu thereof the follow-
7 ing: "Upon receiving notice of the default of any mortgage
8 covering a one-, two-, three-, or four-family residence here-
9 tofore or hereafter insured under this Act, the Commissioner,
10 in his discretion and for the purpose of avoiding foreclosure
11 of the mortgage, and notwithstanding the fact that he has
12 previously approved a request of the mortgagee for an ex-
13 tension of the time for curing the defaulted mortgage and of
14 the time for commencing foreclosure proceedings or for
15 otherwise acquiring title to the mortgaged property, or has
16 approved a modification of the mortgage for the purpose of
17 changing the amortization provisions by recasting the un-
18 paid balance, may acquire the loan and security therefor
19 upon payment of the insurance benefits (by issuance to the
20 mortgagee of debentures, or by payment of cash or issuance
21 of debentures if the loan is insured under section 220, 221,
22 or 233) in an amount equal to the unpaid principal bal-
23 ance of the loan plus any unpaid mortgage interest plus
24 reimbursement for such costs and attorney's fees as the Com-
25 missioner finds were properly incurred in connection with

1 the defaulted mortgage and its assignment to the Commis-
2 sioner, and for any proper advances theretofore made by
3 the mortgagee under the provisions of the mortgage. After
4 the acquisition of such mortgage by the Commissioner, the
5 mortgagee shall have no further rights, liabilities, or obliga-
6 tions with respect thereto.”

CORRECTION OF SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

SEC. 204. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

“EXPENDITURES TO CORRECT OR COMPENSATE FOR
SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

14 "SEC. 517. (a) The Commissioner is authorized, with
15 respect to any property improved by a one- to four-family
16 dwelling approved for mortgage insurance prior to the be-
17 ginning of construction which he finds to have structural or
18 other major defects affecting the livability of the property,
19 to make expenditures for (1) correcting such defects; (2)
20 paying the claims of the owner of the property arising from
21 such defects; or (3) acquiring title to the property: *Pro-*
22 *vided*, That such authority of the Commissioner shall exist
23 only (A) if the owner has requested assistance from the
24 Commissioner not later than four years (or such shorter time
25 as the Commissioner may prescribe) after insurance of the

1 mortgage, and (B) with respect to property encumbered by
 2 a mortgage insured under this Act after or not more than
 3 three years prior to enactment of the Housing and Com-
 4 munity Development Act of 1964.

5 “(b) The Commissioner shall by regulations prescribe
 6 the terms and conditions under which expenditures and pay-
 7 ments may be made under the provisions of this section, and
 8 his decisions regarding such expenditures or payments, and
 9 the terms and conditions under which the same are approved
 10 or disapproved, shall be final and conclusive and shall not
 11 be subject to judicial review.”

12 HOME IMPROVEMENT LOANS OUTSIDE OF URBAN RENEWAL
 13 AREAS

14 SEC. 205. Section 203 (k) of the National Housing Act
 15 is amended by—

16 (1) striking out in the first sentence in designated
 17 clause (2) “economically sound” and inserting in lieu
 18 thereof “an acceptable risk”;

19 (2) striking out in the first sentence designated
 20 clause (4) and inserting in lieu thereof the following:
 21 “(4) insurance benefits shall be paid in cash out of the
 22 section 203 Home Improvement Account or in de-
 23 bentures executed in the name of such Account.”; and

24 (3) striking out in the third sentence “Debentures
 25 issued with respect to loans insured under this subsection

1 shall be issued” and inserting in lieu thereof “Insurance
2 benefits paid with respect to loans insured under this sub-
3 section shall be paid”.

4 MORTGAGE LIMITS FOR HOMES

5 SEC. 206. (a) Section 203 (b) (2) of the National
6 Housing Act is amended by striking out “\$25,000”,
7 “\$27,500”, “\$27,500”, and “\$35,000” and inserting in lieu
8 thereof “\$30,000”, “\$32,500”, “\$32,500”, and “\$37,500”,
9 respectively.

10 (b) Section 203 (i) of the National Housing Act is
11 amended by—

12 (1) striking out “\$9,000” and inserting in lieu
13 thereof “\$11,000”, and

14 (2) inserting the following after the second pro-
15 viso: “*Provided further*, That notwithstanding the re-
16 quirements of this subsection, the Commissioner may in
17 his discretion insure under this section a mortgage on a
18 dwelling to be used by the mortgagor for vacation pur-
19 poses if the amount of the mortgage is not in excess of
20 90 per centum of the appraised value of the property
21 and he finds that the project with respect to which the
22 mortgage is executed is an acceptable risk:”.

1 **TITLE III—URBAN RENEWAL AND GROWTH**

2 **LOAN CONTRACT FOR TWO OR MORE PROJECTS**

3 **SEC. 301.** (a) Section 102 (a) of the Housing Act of
4 1949 is amended by adding at the end thereof: “Notwith-
5 standing any other provisions of this title, the Administrator
6 may make a temporary loan, as described in the first two
7 sentences of this subsection, for two or more urban renewal
8 projects being carried out by the same local public agency.
9 Such a loan (outstanding at any one time) shall be for an
10 amount not exceeding the estimated expenditures to be made
11 by the local public agency for such projects.”

12 (b) Section 110 (g) of the Housing Act of 1949 is
13 amended by striking out in the first sentence thereof the
14 words “for any project”.

15 **GENERAL NEIGHBORHOOD RENEWAL PLANS**

16 **SEC. 302.** Section 102 (d) of the Housing Act of 1949
17 is amended by striking out the fifth sentence and inserting in
18 lieu thereof: “In order to facilitate proper preliminary plan-
19 ning for the attainment of the urban renewal objectives of
20 this title, the Administrator may also make advances of funds
21 (in addition to those authorized above) to local public
22 agencies for the preparation of general neighborhood re-

1 newal plans (as herein defined). A general neighborhood
 2 renewal plan may be prepared for an area consisting of an
 3 urban renewal area or areas, together with any adjoining
 4 areas having specially related problems, and which is of such
 5 size that the urban renewal activities in the urban renewal
 6 area or areas may have to be initiated in stages, consistent
 7 with the capacity and resources of the respective local public
 8 agency over an estimated period of not more than ten years.”

9 INCREASED CAPITAL GRANTS FOR REDEVELOPMENT AREAS

10 SEC. 303. Section 103 (a) (2) (B) of the Housing Act
 11 of 1949 is amended by striking out the words “the second
 12 sentence of section 5 (a)” and inserting in lieu thereof
 13 “section 5”.

14 CAPITAL GRANT AUTHORIZATION

15 SEC. 304. Section 103 (b) of the Housing Act of 1949
 16 is amended by striking out “not to exceed \$4,000,000,000”
 17 and inserting “not to exceed \$5,400,000,000” in lieu thereof.

18 FEASIBLE METHOD FOR RELOCATION OF INDIVIDUALS

19 SEC. 305. (a) Section 105 (c) of the Housing Act of
 20 1949 is amended by striking out “families” wherever that
 21 term appears and inserting in lieu thereof “individuals and
 22 families”.

23 (b) The requirement imposed by the amendment con-
 24 tained in subsection (a) of this section shall not be appli-

1 cable to any project receiving Federal recognition prior to
2 the effective date of this Act.

3 DISPOSAL OF LAND FOR LOW- AND MODERATE-INCOME
4 HOUSING

5 SEC. 306. (a) Subsection (b) of section 107 of the
6 Housing Act of 1949 is redesignated as subsection (a) and
7 is amended by inserting after the word "families" the words
8 "or individuals".

9 (b) Subsection (a) of section 107 of the Housing Act
10 of 1949 is redesignated as subsection (b) and is amended
11 by—

12 (1) striking out all that appears before the proviso
13 and inserting in lieu thereof the following: "When it
14 appears in the public interest that real property acquired
15 as part of an urban renewal project should be used in
16 whole or in part for a low-rent housing project assisted
17 under the United States Housing Act of 1937, or under
18 a State or local program found by the Administrator
19 to have the same general purposes as the Federal pro-
20 gram under such Act, the property shall be made avail-
21 able to the public housing agency undertaking the low-
22 rent housing project at a price equal to its fair value,
23 as determined in accordance with subsection (a), and

1 such amount shall be included as part of the develop-
2 ment cost of such low-rent housing project:";

3 (2) striking out the word "land" where it first
4 appears in the proviso and inserting in lieu thereof
5 "property"; and

6 (3) striking out the word "site" where it first
7 appears in the proviso and inserting in lieu thereof
8 "property".

9 INCREASE NONRESIDENTIAL EXCEPTION

10 SEC. 307. The fifth sentence of section 110 (c) of the
11 Housing Act of 1949 is amended by striking out "30 per
12 centum" in the second proviso and inserting in lieu thereof
13 "35 per centum".

14 AMENDMENT OF DEFINITION OF "GOING FEDERAL RATE"

15 SEC. 308. Section 110 (g) of the Housing Act of 1949
16 is amended by striking out the last sentence and inserting
17 in lieu thereof: "Any contract for loan or advance, author-
18 ized by the Administrator after the effective date of the
19 Housing and Community Development Act of 1964, shall
20 provide for a single interest rate which shall be applicable
21 also to future amendments of the contract which provide
22 additional funds thereunder and shall further provide for a
23 periodic revision of the interest rate on the balance out-
24 standing or to be outstanding on such loan or advance,
25 based on the going Federal rate on the date of such revision:

1 *Provided*, That any contract for loan or advance authorized
2 prior to the effective date of the Housing and Community
3 Development Act of 1964 shall be amended (with the first
4 amendment to such contract authorized after the effective
5 date of such Act) to provide for such a single interest rate
6 (based on the going Federal rate at the time such amend-
7 ment is authorized) and for periodic revision thereof.”.

8 URBAN RENEWAL DEMONSTRATION PROGRAM

9 SEC. 309. Section 314 of the Housing Act of 1954 is
10 amended by—

11 (1) inserting “(a)” after “314.” at the beginning
12 of the section;

13 (2) inserting the following before the period at
14 the end of the second sentence: “: *Provided*, That such
15 a grant may cover the full cost of writing and publish-
16 ing reports on such activities and undertakings”;

17 (3) inserting “activities and” before “undertakings”
18 in the third sentence; and

19 (4) striking out the last two sentences and inserting
20 in lieu thereof two new paragraphs, as follows:

21 “(b) The Administrator is further authorized to pay for
22 the cost of (1) writing and publishing reports on activities
23 and undertakings financed by grants made under this sec-
24 tion, as well as reports on similar activities and undertakings,
25 not so financed, which are of significant value in furthering

1 the purposes of this section, and (2) writing and publishing
2 summaries and other informational material on such reports.

3 “(c) The aggregate amount of grants made under sub-
4 section (a) and costs incurred pursuant to subsection (b)
5 shall not exceed \$10,000,000 and shall be payable from the
6 grant funds provided under and authorized by section 103
7 (b) of the Housing Act of 1949. The Administrator may
8 make advance or progress payments on account of any con-
9 tract entered into pursuant to this section, notwithstanding
10 the provisions of section 3648 of the Revised Statutes, as
11 amended.”

12 URBAN AND REGIONAL PLANNING GRANTS

13 SEC. 310. (a) Section 701 (a) of the Housing Act of
14 1954 is amended by deleting “resulting from rapid urbaniza-
15 tion” in clause (B) of paragraph (1).

16 (b) Section 701 (a) of the Housing Act of 1954 is
17 amended by—

18 (1) deleting “and” at the end of paragraph (4) ;

19 (2) striking out the period at the end of paragraph

20 (5) and inserting in lieu thereof a semicolon; and

21 (3) adding a new paragraph (6) after paragraph

22 (5), as follows:

23 “(6) metropolitan and regional planning agen-
24 cies, with the approval of the State planning agency

1 or (in States where no such planning agency exists)
2 of the Governor of the State, for the provision of
3 planning assistance within the metropolitan area or
4 region to cities, other municipalities, counties, groups
5 of adjacent communities, or Indian reservations de-
6 scribed in clauses (A), (B), (C), and (D) of para-
7 graph (1) of this subsection; and”.

8 (c) Section 701 (a) of the Housing Act of 1954 is
9 amended by striking out “(a)” after “section 5” in para-
10 graph (3).

11 (d) Section 701 (b) of the Housing Act of 1954 is
12 amended by striking out the proviso in the first sentence and
13 inserting in lieu thereof: “*Provided*, That such a grant may
14 be in an amount not exceeding three-fourths of such esti-
15 mated cost for planning being carried out for a city, other
16 municipality, county, group of adjacent communities, or
17 Indian reservation in an area designated by the Secretary of
18 Commerce as a redevelopment area under section 5 of the
19 Area Redevelopment Act”.

20 PLANNING GRANT AUTHORIZATION

21 SEC. 311. Section 701 (b) of the Housing Act of 1954
22 is amended by striking out “not exceeding \$75,000,000”
23 in the fifth sentence and inserting in lieu thereof “such
24 amounts as may be necessary”.

1 PLANNING GRANTS FOR NEW COMMUNITIES

2 SEC. 312. Section 701 of the Housing Act of 1954 is
3 amended by striking out all after "rapid urbanization" in
4 paragraph (4) of subsection (a) and inserting in lieu thereof
5 "(A) has resulted or is expected to result from the estab-
6 lishment or rapid and substantial expansion of a Federal
7 installation, or (B) is expected to result from the establish-
8 ment of a new community as defined in title X of the Na-
9 tional Housing Act; and".

10 PLANNING GRANTS FOR INDIAN RESERVATIONS

11 SEC. 313. (a) Section 701 (a) of the Housing Act of
12 1954 is amended by—

13 (1) deleting "and" at the end of clause (B) of
14 paragraph (1) ;

15 (2) inserting ", and (D) Indian reservations" be-
16 fore the semicolon at the end of paragraph (1) ; and

17 (3) adding a new paragraph (7) after paragraph
18 (6) , as follows:

19 "(7) tribal planning councils or other tribal
20 bodies designated by the Secretary of the Interior
21 for planning for an Indian reservation to which no
22 State planning agency or other agency or instru-
23 mentality is empowered to provide planning as-
24 sistance under clause (D) of paragraph (1)
25 above."

1 (b) Section 701 (d) of such Act is amended by—

2 (1) striking out “and urban regions” in the first
3 sentence and inserting in lieu thereof “urban regions,
4 and Indian reservations”; and

5 (2) inserting the following after “instrumentali-
6 ties” in the second sentence: “, and to Indian tribal
7 bodies,”.

8 TITLE IV—HOUSING FOR LOW-INCOME
9 FAMILIES

10 ELIGIBILITY OF DISPLACED INDIVIDUALS

11 SEC. 401. (a) Section 2 (2) of the United States Hous-
12 ing Act of 1937 is amended to read as follows:

13 “(2) The term ‘families of low income’ means families
14 (including elderly and displaced families) who are in the
15 lowest income group and who cannot afford to pay enough
16 to cause private enterprise in their locality or metropolitan
17 area to build an adequate supply of decent, safe, and sanitary
18 dwellings for their use. The term ‘families’ includes single
19 persons only in the case of elderly families, displaced fami-
20 lies, and the remaining members of tenant families. The
21 term ‘elderly families’ means families whose heads (or their
22 spouses), or whose sole members, have attained the age at
23 which an individual may elect to receive an old age benefit
24 under title II of the Social Security Act or who are under a
25 disability as defined in section 223 of that Act. The term

1 'displaced families' means families displaced by urban re-
2 newal or other governmental action."

3 (b) Section 10 (g) (2) of said Act is amended by
4 striking out "those displaced by urban renewal or other gov-
5 ernmental action" and inserting in lieu thereof "displaced
6 families".

7 (c) Section 15 (7) (b) of said Act is amended by
8 striking out "family displaced by urban renewal or other
9 governmental action" and inserting in lieu thereof "dis-
10 placed family".

11 ADDITIONAL SUBSIDY FOR URBAN RENEWAL AND LOW-
12 RENT HOUSING DISPLACEES

13 SEC. 402. Section 10 (a) of the United States Housing
14 Act of 1937 is amended by striking out the period at the
15 end of the first proviso and inserting in lieu thereof a colon
16 and the following: "*Provided further*, That such an addi-
17 tional payment may also be made, on the same terms and
18 conditions and subject to the same limitations, with respect
19 to a unit occupied on the last day of the project fiscal year
20 by a displaced family if such family was displaced by an
21 urban renewal or low-rent housing project on or after Jan-
22 uary 27, 1964, and if and to the extent that the rental of
23 such unit was less than the rental which, in the determina-
24 tion of the Authority based on average or estimated average

1 project rentals, would have been established in leasing the
2 unit to another family which was neither an elderly family
3 nor similarly displaced.”

4 CERTIFICATION OF EQUIVALENT ELIMINATION

5 SEC. 403. Section 10 (a) of the United States Hous-
6 ing Act of 1937 is amended by inserting immediately be-
7 fore the comma after the word “elimination”, where the
8 word first appears, the following: “, as certified by the
9 local governing body”.

10 ACQUISITION AND LEASE OF EXISTING HOUSING

11 SEC. 404. Section 10 (c) of the United States Hous-
12 ing Act of 1937 is amended by striking out “*And provided*”
13 and inserting in lieu thereof “*Provided*”, and by inserting
14 a colon and the following proviso before the period at the
15 end thereof: “*And provided further*, That the amount of
16 the fixed annual contribution which would be established
17 under this Act for a newly constructed project by a public
18 housing agency designed to accommodate a number of
19 families of a given size and kind may be established, as a
20 maximum annual contribution in lieu of any other guaran-
21 teed contribution authorized under this section, for a project
22 by such public housing agency which would provide housing
23 for the comparable number, sizes and kinds of families

1 through the acquisition, acquisition and rehabilitation, or use
2 under lease of existing structures which are suitable for low-
3 rent housing use and available in the local market”.

4 INCREASE IN AUTHORIZATION FOR ANNUAL
5 CONTRIBUTIONS

6 SEC. 405. Section 10 (e) of the United States Hous-
7 ing Act of 1937 is amended by inserting immediately fol-
8 lowing the comma after the words “per annum”, the fol-
9 lowing: “which limit shall be increased by \$46,000,000
10 on the date of the enactment of the Housing and Community
11 Development Act of 1964, and by further amounts of \$46,-
12 000,000 on July 1 in each of the years 1965, 1966 and
13 1967, respectively,”.

14 RELOCATION OF FAMILIES AND INDIVIDUALS DISPLACED
15 FROM PROJECT SITES

16 SEC. 406. (a) Section 15 (7) (b) of the United States
17 Housing Act of 1937 is amended by striking out the word
18 “and” before “(ii)” and by striking out the period at the
19 end of the section and inserting in lieu thereof a semicolon
20 and the following “and (iii) unless the public housing
21 agency has demonstrated to the satisfaction of the Authority
22 that there is a feasible method for the temporary relocation
23 of the individuals and families displaced from the project
24 site, and that there are or are being provided, in the project
25 or in other areas not generally less desirable in regard to

1 public utilities and public and commercial facilities and at
2 rents or prices within the financial means of the individuals
3 and families displaced from the project site, decent, safe,
4 and sanitary dwelling equal in number to the number of and
5 available to such displaced individuals and families and
6 reasonably accessible to their places of employment.”

7 (b) Subsection (a) of this section shall not be ap-
8 plicable with respect to any project for which an applica-
9 tion for preliminary loan has been approved by the local
10 governing body prior to the effective date of this Act.

11 RELOCATION PAYMENTS

12 SEC. 407. Section 15 of the United States Housing Act
13 of 1937 is amended by adding at the end thereof a new para-
14 graph (8) as follows:

15 “(8) In order to permit public housing agencies to
16 make relocation payments, the Authority may authorize the
17 cost of such payments to be included with the development
18 or acquisition cost of any project for purposes of determining
19 the amount of loans and annual contributions authorized to
20 be made with respect to such project under sections 9 and
21 10 of this Act, but such costs shall be separately stated as
22 relocation costs and shall be excluded from any amounts on
23 which the computation of annual contributions is based for
24 purposes of determining the amount of local contributions
25 required with respect to such project under section 10(h)

1 of this Act. As used in this paragraph, the term 'relocation
2 payment' means a payment (1) which is made to an indi-
3 vidual, family, business concern, or nonprofit organization
4 displaced on or after January 27, 1964, from a low-rent
5 housing project site as a result of the acquisition of real prop-
6 erty by a public housing agency, (2) which is not otherwise
7 authorized under any Federal law, and (3) which is made
8 only on such terms and conditions, and subject to such limi-
9 tations, as are authorized (as of the time such payment is
10 approved) under sections 114 (b) and (c) of the Housing
11 Act of 1949 for relocation payments made to individuals,
12 families, business concerns, and nonprofit organizations pur-
13 suant to such sections: *Provided*, That the provisions of sec-
14 tion 114(e) of the Housing Act of 1949 shall be applicable
15 with respect to families and individuals receiving relocation
16 payments pursuant to this paragraph if such payments are
17 of the kind described in section 114(c) (ii) of the Housing
18 Act of 1949."

19 LOW-INCOME HOUSING DEMONSTRATION PROGRAM

20 AUTHORIZATION

21 SEC. 408. Section 207 of the Housing Act of 1961 is
22 amended by striking out "\$5,000,000" and inserting in lieu
23 thereof "\$10,000,000".

1 TITLE V—RURAL HOUSING LOANS AND GRANTS

2 EXTENSION OF SENIOR CITIZENS RENTAL HOUSING

3 SEC. 501. Section 515 of the Housing Act of 1949 is
4 amended by deleting "1964" in clause (5) of subsection
5 (b) and inserting in lieu thereof "1968".

6 INSURED RURAL HOUSING LOANS

7 SEC. 502. (a) Section 502 (a) of the Housing Act of
8 1949 is amended by striking out "with interest at a rate
9 not to exceed 4 per centum per annum on the unpaid
10 balance of principal." and inserting in lieu thereof the
11 following: "with interest for loans under this section at a
12 rate not to exceed 5 per centum per annum and for loans
13 under sections 503 and 504 at a rate not to exceed 4 per
14 centum per annum on the unpaid balance of principal.
15 Borrowers with loans made or insured under this title shall
16 pay such fees and other charges as the Secretary may
17 require."

18 (b) Title V of the Housing Act of 1949 is amended
19 by adding at the end thereof the following new sections:

20 "SEC. 516. (a) The Secretary is authorized to insure
21 and to make loans to be sold and insured in accordance with
22 the provisions of sections 501, 502, 514, 515, this section,
23 and 517, exclusive of 514 (a) (3), (4), and (5) and

1 (b) and 515 (a) and (b) (4), and except that such loans
2 in accordance with sections 501 and 502—

3 “(1) to owners of nonfarm rural tracts of low or
4 moderate income as defined by the Secretary and to
5 owners of farms shall not exceed amounts necessary
6 to provide adequate housing modest in size, design, and
7 cost as determined by the Secretary, and the aggregate
8 of loans to such owners made and insured in any one
9 fiscal year shall not exceed \$300,000,000; and

10 “(2) to other owners of nonfarm rural tracts shall
11 bear interest and provide for insurance or service charges
12 at rates determined by the Secretary, not to exceed the
13 maximum rates of interest and premium charges pro-
14 vided in section 203 of the National Housing Act.

15 “(b) The Secretary may use the fund established pur-
16 suant to section 517 for the purpose of making loans to be
17 sold and insured under this section, provided that the aggre-
18 gate of such loans made and not disposed of at any one time
19 shall not exceed \$100,000,000.

20 “(c) The Secretary may insure loans advanced by
21 lenders other than the United States, and may sell and insure
22 loans made by the Secretary out of the fund, for the payment
23 of principal and interest thereon as the same becomes due.
24 Any contract of insurance executed by the Secretary shall
25 be an obligation supported by the full faith and credit of the

1 United States and incontestable except for fraud or misrepre-
2 sentation of which the holder has actual knowledge. In
3 connection with loans insured under this section the Secre-
4 tary may take liens running to the United States notwith-
5 standing the fact that the notes evidencing such loans may be
6 held by lenders other than the United States. Notes evi-
7 dencing such loans shall be freely assignable but the Secre-
8 tary shall not be bound by any assignment until notice thereof
9 is given to and acknowledged by the Secretary.

10 “(d) After 90 days after the original capitalization of
11 the fund created by section 517, no loans, other than loans
12 then held or insured by the Secretary pursuant to section
13 514 or 515 (b), shall be made or insured under section 514
14 or 515 (b) except in accordance with this section.

15 “SEC. 517. (a) There is hereby created a fund, to be
16 known as the Rural Housing Insurance Fund (hereinafter
17 referred to as the ‘fund’), which shall be used by the Secre-
18 tary as a revolving fund for carrying out the provisions of
19 section 516 and this section. There are hereby authorized
20 to be appropriated to the Secretary such sums as may be
21 necessary for the purposes of the fund.

22 “(b) Money in the fund not needed for current opera-
23 tions shall be invested in direct obligations of the United
24 States or obligations guaranteed by the United States.

25 “(c) Loans made or insured under section 516 and held

1 or acquired by the Secretary, and security in connection with
2 such loans, shall become a part of the fund. Loans may
3 be held in the fund and collected in accordance with their
4 terms or may be sold by the Secretary with or without agree-
5 ments for insurance thereof. The Secretary is authorized
6 to make agreements with respect to servicing such loans and,
7 when necessary for liquidation or servicing, to purchase such
8 loans on such terms and conditions as he may prescribe.
9 Loans may be sold by the Secretary at prices within the
10 range of market prices for the particular classes of loans, as
11 determined by the Secretary from time to time. The aggre-
12 gate of (1) any amount by which the balance outstanding on
13 loans at the time of sale exceeds the price at which the loans
14 are sold and (2) the amount of any fees and charges paid in
15 connection with any sales shall be reimbursed to the fund
16 by annual appropriations.

17 “(d) The Secretary is authorized to make and issue
18 notes to the Secretary of the Treasury for the purpose of
19 obtaining funds necessary for discharging obligations under
20 section 516 and this section and for authorized expenditures
21 out of the fund. Such notes shall be in such form and de-
22 nominations and have such maturities and be subject to such
23 terms and conditions as may be prescribed by the Secretary
24 with the approval of the Secretary of the Treasury. Such
25 notes shall bear interest at the rate fixed by the Secretary of

1 the Treasury, taking into consideration the current average
2 market yield of outstanding marketable obligations of the
3 United States having maturities comparable to the notes
4 issued by the Secretary under this section. The Secretary of
5 the Treasury is authorized and directed to purchase any notes
6 of the Secretary issued hereunder, and for that purpose the
7 Secretary of the Treasury is authorized to use as a public
8 debt transaction the proceeds from the sale of any securities
9 issued under the Second Liberty Bond Act, as amended,
10 and the purposes for which such securities may be issued
11 under such Act, as amended, are extended to include pur-
12 chases of notes issued by the Secretary. All redemptions,
13 purchases, and sales by the Secretary of the Treasury of
14 such notes shall be treated as public debt transactions of the
15 United States. The notes issued by the Secretary to the
16 Secretary of the Treasury shall become obligations of the
17 fund. Except as may be authorized by Congress from time
18 to time in appropriation Acts, the authority of this subsection
19 shall not extend to the original or any increased capitalization
20 of the fund or to the restoration of any depletion of the fund
21 occasioned by the sale of loans at prices less than the balances
22 outstanding thereon.

23 “(e) The Secretary may retain out of payments by the
24 borrower an annual charge in an amount specified in the
25 insurance or sale agreement applicable to the loan. Out of

1 the charges retained by the Secretary, if any, not to exceed
2 one-half of 1 per centum of the unpaid balance of the loan
3 shall be deposited in the fund and the remainder of such
4 charges so retained, if any, shall be available for administra-
5 tive expenses in carrying out the provisions of this title, to
6 be transferred annually and become merged with any ap-
7 propriation for administrative expenses of the Farmers Home
8 Administration.

9 “(f) The Secretary may also utilize the fund—

10 “(1) to pay amounts to which the holder of the
11 note is entitled in accordance with insurance or sales
12 agreements under this title accruing between the date of
13 any prepayment by the borrower and the date of trans-
14 mittal of any such prepayments to the holder of the
15 note. In the discretion of the Secretary, prepayments
16 other than final payments need not be remitted to the
17 holder until due;

18 “(2) to pay the holder of any note insured under
19 this title any defaulted installment or, upon assignment
20 of the note to the Secretary at the Secretary's request,
21 the entire balance outstanding on the note;

22 “(3) to pay taxes, insurance, prior liens, expenses
23 necessary to make fiscal adjustments in connection with

the application and transmittal of collections, and other expenses and advances to protect the security for loans which are insured under this title or held in the fund and to acquire such security property at foreclosure sale or otherwise; and

“(4) to pay fees and charges in connection with sales by the Secretary of loans insured under this title.”

FNMA SECONDARY MARKET OPERATIONS FOR RURAL

HOUSING INSURED LOANS

SEC. 503. (a) Section 302 (b) of the Federal National Mortgage Association Charter Act is amended by—

(1) inserting after “which are insured under the National Housing Act” and before the comma the following: “or title V of the Housing Act of 1949”;

(2) striking out in clause (2) of the first proviso “a Federal, State,” and inserting in lieu thereof “a Federal instrumentality or, except a mortgage insured under title V of the Housing Act of 1949, a State,”; and

(3) inserting in the last sentence before the period the following: “or title V of the Housing Act of 1949”.

(b) Section 303 (b) of the Federal National Mortgage Association Charter Act is amended by inserting “and other” in the first sentence, after “private”.

1 LOANS AND GRANTS TO DOMESTIC FARM LABORERS
2 FOR ESSENTIAL DWELLING REPAIRS

3 SEC. 504. (a) The first sentence of section 504 (a)
4 of the Housing Act of 1949 is amended to read as follows:
5 “In the event the Secretary determines that an individual
6 who meets the requirements of eligibility set forth in section
7 501 (c), or who is a domestic farm laborer, cannot qualify
8 for a loan under the provisions of section 502 or 503 and
9 that repairs or improvements should be made to a dwelling
10 occupied by him, in order to make such dwelling safe and
11 sanitary and remove hazards to the health of the occupant,
12 his family, or the community, or that repairs should be made
13 to farm buildings in order to remove hazards and make such
14 buildings safe, the Secretary may make a grant or a com-
15 bined loan and grant to such individual to cover the cost
16 of improvements or additions, such as repairing roofs,
17 providing toilet facilities, providing a convenient and sani-
18 tary water supply, supplying screens, repairing or providing
19 structural supports, or making other similar repairs or
20 improvements: *Provided, however,* That assistance to domes-
21 tic farm laborers under this subsection may be provided
22 only to repair or improve a dwelling in a rural area occupied

1 by the applicant or his family for a substantial portion of
2 the year and only upon such conditions as the Secretary shall
3 prescribe to assure that the major benefits of such assistance
4 will accrue to the applicant and his family, or to the
5 applicant and his family and other domestic farm laborers.”

6 (b) Section 504 of such Act is further amended by add-
7 ing at the end thereof a new subsection as follows:

8 “(c) As used in this section, the term ‘domestic farm
9 laborer’ means a citizen of the United States who receives a
10 substantial portion (as determined by the Secretary) of his
11 income as a laborer on a farm or farms situated in the United
12 States.”

13 DEFINITION OF DOMESTIC FARM LABOR

14 SEC. 505. Clause (3) of section 514(f) of the Hous-
15 ing Act of 1949 is amended to read as follows: “(3) the
16 term ‘domestic farm labor’ means persons who receive a sub-
17 stantial portion (as determined by the Secretary) of their
18 income as laborers on farms situated in the United States
19 and either (A) are citizens of the United States or (B)
20 reside in the United States after being legally admitted for
21 permanent residence therein.”

1 LOW-RENT HOUSING FOR DOMESTIC FARM LABOR

2 SEC. 506. (a) Title V of the Housing Act of 1949 is
3 further amended by adding at the end thereof the following
4 new section:

5 “FINANCIAL ASSISTANCE TO PROVIDE LOW-RENT
6 HOUSING FOR DOMESTIC FARM LABOR

7 “SEC. 518. (a) Upon the application of any nonprofit
8 organization, or nonprofit association of domestic farm labor,
9 the Secretary is authorized to provide financial assistance for
10 the provision of low-rent housing and related facilities for
11 domestic farm labor, if he finds that—

12 “(1) the housing and related facilities for which fi-
13 nancial assistance is requested will fulfill a pressing need
14 in the area in which such housing and facilities will be
15 located, and there is reasonable doubt that the same
16 can be provided without financial assistance under this
17 section;

18 “(2) the applicant will contribute, from its own
19 resources or from funds borrowed under section 514 or
20 elsewhere, at least one-third of the total development
21 cost;

22 “(3) the types of housing and related facilities to be
23 provided are most practical, giving due consideration to
24 the purposes to be served thereby and the needs of the
25 occupants thereof; and

1 “(4) the construction will be undertaken in an eco-
2 nomical manner, and the housing and related facilities
3 will not be of elaborate or extravagant design or
4 material.

5 “(b) The amount of any financial assistance provided
6 under this section for low-rent housing and related facilities
7 shall not exceed two-thirds of the total development cost
8 thereof, as determined by the Secretary, less such amount
9 as the Secretary determines can be practicably obtained from
10 other sources (including a loan under section 514).

11 “(c) No financial assistance for low-rent housing and
12 related facilities shall be made available under this section
13 unless, to any extent and for any periods required by the
14 Secretary, the applicant agrees—

15 “(1) that the rentals charged domestic farm labor
16 shall not exceed such amounts as may be approved by
17 the Secretary, giving due consideration to the income
18 and earning capacity of the tenants, and the necessary
19 costs of operating and maintaining such housing;

20 “(2) that such housing shall be maintained at all
21 times in a safe and sanitary condition in accordance with
22 such standards as may be prescribed by State or local
23 law, or, in the absence of such standards, in accordance
24 with such minimum requirements as the Secretary shall
25 prescribe; and

1 “(3) an absolute priority will be given at all times
2 in granting occupancy of such housing and facilities to
3 domestic farm labor.

4 “(d) The Secretary may make payments pursuant to
5 any contract for financial assistance under this section at
6 such times and in such manner as may be specified in the
7 contract. In each such contract the Secretary shall include
8 such covenants, conditions, or provisions as he deems neces-
9 sary to insure that the housing and related facilities, for
10 which financial assistance is made available, be used only in
11 conformity with the provisions of this section.

12 “(e) The Secretary shall prescribe regulations to insure
13 that Federal funds expended under this section are not
14 wasted or dissipated.

15 “(f) All laborers and mechanics employed by contrac-
16 tors or subcontractors on projects assisted by the Secretary
17 which are undertaken by approved applicants under this
18 section shall be paid wages at rates not less than those pre-
19 vailing on similar construction in the locality, as determined
20 by the Secretary of Labor in accordance with the Davis-
21 Bacon Act, as amended (40 U.S.C. 276a—276a-5). The
22 Secretary shall not extend any financial assistance under
23 this section for any project without first obtaining adequate
24 assurance that these labor standards will be maintained on
25 the construction work; except that compliance with such

1 standards may be waived by the Secretary in cases or classes
2 of cases where laborers or mechanics, not otherwise employed
3 at any time on the project, voluntarily donate their services
4 without compensation for the purpose of lowering the costs
5 of construction and the Secretary determines that any
6 amounts thereby saved are fully credited to the person, cor-
7 poration, association, organization, or other entity under-
8 taking the project. The Secretary of Labor shall have, with
9 respect to the labor standards specified in this section, the
10 authority and functions set forth in Reorganization Plan
11 Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5
12 U.S.C. 133z-15), and section 2 of the Act of June 13,
13 1934, as amended (40 U.S.C. 276c).

14 “(g) As used in this section—

15 “(1) the term ‘low-rent housing’ means rental
16 housing within the financial reach of families of low in-
17 come consisting of (A) new structures suitable for
18 dwelling use by domestic farm labor, and (B) existing
19 structures which can be made suitable for dwelling use
20 by domestic farm labor by rehabilitation, alteration, con-
21 version, or improvement:

22 “(2) the terms ‘related facilities’ and ‘domestic
23 farm labor’ shall have the meaning assigned to them
24 in section 514 (f) ; and

1 “(3) the term ‘development cost’ shall have the
2 meaning assigned to it in section 515 (d) (4).”

3 (b) Section 513 of the Housing Act of 1949 is amended
4 by redesignating clause “(c)” and “(d)” as clauses “(d)”
5 and “(e)” respectively and by inserting after the semicolon
6 at the end of clause (b) the following: “(c) not to exceed
7 \$75,000,000 for financial assistance pursuant to section 518
8 for the period ending June 30, 1968;”.

9 CONFORMING AMENDMENTS

10 SEC. 507. (a) Section 506(a) of the Housing Act of
11 1949 is amended by striking out "sections 514 and 515"
12 each place it appears and inserting in lieu thereof "sections
13 514-518".

14 (b) Section 514(a) of the Housing Act of 1949 is
15 amended by striking out "any State or political subdivision
16 thereof, or any public or" and inserting in lieu thereof "or
17 any".

18 TITLE VI—COMMUNITY FACILITIES

19 PUBLIC FACILITY LOANS

20 SEC. 601. (a) Section 202 (a) of the Housing Amend-
21 ments of 1955 is amended by striking out in clause (1) of
22 the first sentence "instrumentalities of States" and inserting
23 in lieu thereof "instrumentalities of one or more States" and
24 by striking out "in the same State" and inserting in lieu
25 thereof "of one or more States".

1 (b) Section 202 (b) (4) of the Housing Amendments
2 of 1955 is amended by—

3 (1) striking out “the second sentence of section
4 5 (a) of the Area Redevelopment Act” and inserting
5 in lieu thereof “section 5 of the Area Redevelopment
6 Act”;

7 (2) inserting “(A)” before “to any municipality”
8 in the first sentence and by striking out everything fol-
9 lowing the phrase “most recent decennial census, or” in
10 that sentence and inserting in lieu thereof: “, or (B)
11 to any public agency or instrumentality serving one or
12 more municipalities, political subdivisions, or unin-
13 corporated areas in one or more States, unless each
14 municipality, political subdivision, or unincorporated
15 area to be served by the specific public work or facility
16 for which assistance is sought under this section has a
17 population less than the applicable figure under clause
18 (A) according to such census.”; and

19 (3) inserting “(A)” after “this section” in the
20 second sentence thereof and adding the following before
21 the period at the end thereof: “, (B) where principal
22 or interest on such assistance is postponed under sub-
23 section (g) of this section, or (C) where such as-
24 sistance is extended to finance the construction of public
25 works or facilities in connection with the establishment

1 of a new community under title X of the National
2 Housing Act”.

3 ADVANCE ACQUISITION OF LAND

4 SEC. 602. (a) Section 202 of the Housing Amend-
5 ments of 1955 is further amended by inserting after subsec-
6 tion (a) the following new subsection (b) and redesignat-
7 ing the remaining subsections accordingly:

8 “(b) In order to encourage and assist in the timely
9 acquisition of open or predominantly undeveloped land
10 planned to be utilized in connection with the future con-
11 struction of public works and facilities, the Housing and
12 Home Finance Administrator is authorized to purchase the
13 securities and obligations of, or make loans to, municipalities
14 and other political subdivisions and instrumentalities of one
15 or more States (including public agencies and instrumentali-
16 ties of one or more municipalities or other political sub-
17 divisions of one or more States), and Indian tribes to finance
18 the acquisition of a fee simple estate or other interest in
19 such land. A loan under this subsection may be in an
20 amount which shall not exceed the total cost, as approved
21 by the Administrator, of acquiring such interest; shall be
22 reasonably secured; shall be repaid in such manner and
23 within such period, not exceeding fifteen years, as may be
24 determined by the Administrator; and shall bear interest at
25 the rate prescribed for financial assistance extended under

1 subsection (a) of this section. The Administrator in his
2 discretion may provide for the postponement of the payment
3 of principal and interest on any financial assistance extended
4 under this subsection: *Provided*, That any interest payment
5 so deferred shall accrue and be compounded semiannually.
6 The Administrator shall not extend any financial assistance
7 under this subsection for the acquisition of land unless he
8 finds that the public work or facility for which such land is
9 to be utilized is planned to be constructed or initiated within
10 a reasonable period of time and that construction of such
11 public work or facility will contribute to economy, efficiency,
12 and the comprehensively planned development of the area.
13 The Administrator may set such further terms and condi-
14 tions for assistance under this subsection as he deems to be
15 desirable.”

16 (b) Section 202 (e) of the Housing Amendments of
17 1955 (redesignated as section 202 (f) thereof by subsection
18 (a) of this section) is amended by striking out therein the
19 words “subsections (b) and (c)” and inserting in lieu
20 thereof “subsections (c) and (d)”.

21 (c) Section 203 (a) of the Housing Amendments of
22 1955 is amended by striking “section 202 (a)” and insert-
23 ing in lieu thereof “section 202 (a) and pursuant to section
24 202 (b)”.

1 GROWTH CAPACITY LOANS

2 SEC. 603. (a) Section 202 of the Housing Amend-
3 ments of 1955 is further amended by adding at the end
4 thereof a new subsection as follows:

5 “(g) Notwithstanding any other provision of this title,
6 the Administrator in his discretion may provide for the
7 postponement of the payment of principal and interest on
8 financial assistance extended under clause (1) of subsection
9 (a) of this section whenever he determines that the specific
10 public work or facility for which such assistance is sought
11 will serve a municipality, political subdivision, or other area
12 which will experience substantial population growth and
13 that the public work or facility to be constructed with finan-
14 cial assistance for which the repayment of principal and
15 interest is postponed pursuant to this section will be needed
16 as the result of such growth and will contribute to economy,
17 efficiency, and the comprehensively planned development
18 of the area: *Provided*, That such postponement of the time
19 of payment of principal and interest shall be for not more
20 than ten years after the year during which the financial
21 assistance is extended and any interest payment so deferred
22 shall accrue and be compounded semiannually: *Provided*
23 *further*, That the financial assistance extended shall be re-
24 paid, together with the interest thereon, not later than fifty
25 years after the year during which it is extended. Where

1 the Administrator finds such action necessary or desirable
2 to encourage financial participation by private lenders and
3 investors in connection with a public work or facility for
4 which principal or interest on the financial assistance ex-
5 tended is postponed pursuant to this subsection, the security
6 for such financial assistance may be made subordinate and
7 inferior to the lien or liens securing other loans made in
8 connection with such public work or facility.

9 (b) Paragraph (2) of section 202 (b) of the Housing
10 Amendments of 1955 (redesignated as section 202 (c)
11 thereof by section 602 (a) of this Act) is amended by strik-
12 ing out the second sentence thereof.

13 ADVANCES FOR PUBLIC WORKS PLANNING

14 SEC. 604. (a) Section 702 (e) of the Housing Act of
15 1954 is amended to read as follows:

16 “(e) In order to provide moneys for advances in ac-
17 cordance with this section, the Administrator is hereby au-
18 thorized to establish a revolving fund which shall comprise
19 all moneys heretofore or hereafter appropriated pursuant to
20 this section, together with all repayments and other receipts
21 heretofore or hereafter received in connection with advances
22 made under this section and all repayments and other receipts
23 hereafter received in connection with advances made pur-
24 suant to title V of the War Mobilization and Reconversion
25 Act of 1944 (58 Stat. 791) and the Act of October 13,

1 1949 (63 Stat. 841-2). There are hereby authorized to
2 be appropriated to such revolving fund such sums as may
3 be necessary to carry out the provisions of this section.”

4 (b) Section 702 of the Housing Act of 1954 is
5 amended by adding at the end thereof the following new
6 subsection:

7 “(h) (1) Notwithstanding any other provision of law,
8 if a public agency undertakes to construct only a portion of
9 a public work planned with an advance under this section,
10 title V of the War Mobilization and Reconversion Act of
11 1944 (58 Stat. 791), or the Act of October 13, 1949 (63
12 Stat. 841-2), it shall repay such proportionate amount of
13 the advance relating to the public work as the Administrator
14 determines to be equitable.

15 “(2) The Administrator is authorized to terminate,
16 upon such terms and conditions as he shall deem equitable,
17 all or a portion of the liability for repayment of any ad-
18 vance made pursuant to this section, title V of the War
19 Mobilization and Reconversion Act of 1944 or the Act of
20 October 13, 1949. Whenever the Administrator determines
21 that there is no reasonable likelihood that the public work,
22 or a portion of the public work, planned with such advance
23 will be constructed, he may terminate the agreement for the
24 advance. Such determination shall be conclusive and shall

1 be based on standards prescribed by regulations to be issued
2 by the Administrator.”

3 (c) Section 702 of the Housing Act of 1954 is amended
4 by—

5 (1) striking out in subsection (a) “public agen-
6 cies” wherever that term appears and inserting in lieu
7 thereof “public agencies and Indian tribes”;

8 (2) striking out in clause (3) of subsection (b)
9 “public agency” and inserting in lieu thereof “public
10 agency or Indian tribe”;

11 (3) striking out in subsection (c) “public agency”
12 wherever that term occurs and inserting in lieu thereof
13 “public agency or Indian tribe”, and striking out “by
14 such agency” and inserting in lieu thereof “by such
15 agency or tribe”; and

16 (4) striking out in subsection (c) the following:
17 “That if the public agency undertakes to construct only
18 a portion of a planned public work it shall repay such
19 proportionate amount of the advance relating to the
20 public work as the Administrator determines to be
21 equitable: *And provided further,*”.

22 (d) Section 702 (f) of the Housing Act of 1954 is
23 amended by striking out “\$50,000” and inserting in lieu
24 thereof “\$100,000”.

1 TITLE VII—FEDERAL-STATE TRAINING
2 PROGRAMS

3 FINDINGS AND PURPOSE

SEC. 701. (a) The Congress finds that the rapid expansion of the Nation's urban areas and urban population has caused severe problems in urban and suburban development and created a national need to (1) provide special training in skills needed for economic and efficient community development and (2) support research in new or improved methods of dealing with community development problems.

(b) It is the purpose of this title to assist and encourage the States, in cooperation with public or private universities and colleges and urban centers, to (1) organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are likely to be, employed by a governmental or public body which has responsibilities for community development; and (2) support State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems.

MATCHING GRANTS TO STATES

SEC. 702. (a) Subject to the provisions of this title and in accordance with regulations prescribed by him, the Administrator may make matching grants to States to assist in—

(1) organizing, initiating, developing, or expanding programs to provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are likely to be, employed by a governmental or public body which has responsibilities for community development; and

(2) supporting State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems, and in collecting, collating, and publishing statistics and information relating to such research.

(b) No grants may be made to a State under this title unless the Administrator has approved a plan for the State which—

1 (1) sets forth the proposed use of the funds and the
2 objectives to be accomplished;

3 (2) explains the method by which the required
4 amounts from non-Federal sources will be obtained;

5 (3) provides such fiscal control and fund account-
6 ing procedures as may be reasonably necessary to assure
7 proper disbursement of, and accounting for, Federal
8 funds paid to the State under this title;

9 (4) designates the officer or agency of the State
10 government who has responsibility and authority for
11 the administration of a statewide research and training
12 program as the officer or agency with responsibility and
13 authority for the execution of the State program; and

14 (5) provides that such officer or agency will make
15 such reports to the Administrator, in such form, and
16 containing such information, as may be reasonably neces-
17 sary to enable the Administrator to perform his duties
18 under this title.

19 (c) No grant may be made under this title for any use
20 unless an amount at least equal to such grant is made avail-
21 able from non-Federal sources for the same purpose and for
22 concurrent use.

23 (d) There are hereby authorized to be appropriated for
24 grants under this title \$5,000,000 for the fiscal year ending

1 June 30, 1965, \$15,000,000 for each of the two succeeding
2 fiscal years, and \$25,000,000 for each fiscal year thereafter.

3 ALLOTMENT AND PAYMENT

4 SEC. 703. (a) The funds appropriated under section
5 702 for a fiscal year shall be allotted by the Administrator
6 among the several States on the basis of the proportion which
7 the total urban population of each State bears to the total
8 urban population of the United States according to the most
9 recent available Bureau of the Census data: *Provided*, That
10 no allotment to a State shall be less than \$50,000, or more
11 than $12\frac{1}{2}$ per centum of the amount appropriated in any one
12 fiscal year.

13 (b) The amount of any State's allotment for a fiscal year
14 which the Administrator determines will not be required,
15 for the period such allotment is available, for carrying out
16 the State plan (if any) approved under section 702 shall be
17 available for reallocation from time to time as the Adminis-
18 trator may determine.

19 (c) From a State's allotment available for the purpose,
20 the Administrator may pay to such State the Federal share
21 of expenditures under the State plan. Such payments may
22 be made in advance or by way of reimbursement, in such
23 installments and at such times as the Administrator may
24 determine.

25 (d) Whenever the Administrator, after full consulta-

1 tion with the officer or agency administering a State plan,
2 finds that—

3 (1) the State plan has been so changed that it no
4 longer complies with the provisions of section 702 (b) ;
5 or

6 (2) in the administration of the plan there is a
7 failure to comply substantially with any of its provisions,
8 the Administrator shall notify such State agency or of-
9 ficer that no further payments will be made to the State
10 under this title until he is satisfied that the change or
11 failure will be corrected. Until he is so satisfied, the
12 Administrator shall make no further payments to such
13 State under this title, or shall limit payments to portions
14 of the State plan not affected by such change or failure.

15 TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF
16 INFORMATION

17 SEC. 704. In order to carry out the purpose of this title,
18 the Administrator is authorized to provide technical assist-
19 ance to State and local public bodies and to undertake such
20 studies and publish and distribute such information, either
21 directly or by contract, as he shall determine to be desirable.
22 Nothing contained in this title shall limit any authority of
23 the Administrator under any other provision of law.

MISCELLANEOUS

SEC. 705. (a) As used in this title, the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands; and the term "Administrator" means the Housing and Home Finance Administrator.

(b) There are hereby authorized to be appropriated such sums as may be necessary for administrative and other expenses in carrying out this title.

TITLE VIII—MORTGAGE INSURANCE PROCEDURAL AMENDMENTS

TIME LIMIT ON FHA RECOUPMENT OF TITLE I INSURANCE PAYMENTS

SEC. 801. Section 2 (g) of the National Housing Act is amended by striking out "after December 31, 1957,".

OPTIONAL CASH PAYMENT OF INSURANCE BENEFITS

SEC. 802. Title V of the National Housing Act is amended by adding the following section:

"SEC. 518. (a) Notwithstanding any other provisions of this Act with respect to the payment of insurance benefits, the Commissioner is authorized, in his discretion, to pay in cash or in debentures, on the basis of regulations to be issued from time to time, an insurance claim filed by a mortgagee on or after the effective date of the Housing and Community Development Act of 1964 on a mortgage or a

1 loan which was insured under any section of this Act either
2 before or after such effective date. If payment is made in
3 cash, it shall be in an amount equivalent to the face amount
4 of the debentures that would otherwise be issued plus an
5 amount equivalent to the interest which the debentures
6 would have earned, computed to a date to be established
7 pursuant to regulations issued by the Commissioner.

8 “(b) The Commissioner is hereby authorized to borrow
9 from the Treasury from time to time such amounts as the
10 Commissioner shall determine are necessary to make pay-
11 ments in cash (in lieu of issuing debentures) pursuant to
12 the provisions of this section. Notes or other obligations
13 issued by the Commissioner under this section shall be sub-
14 ject to such terms and conditions as the Secretary of the
15 Treasury may prescribe. Each sum borrowed pursuant to
16 the provisions of this subsection shall bear interest at a rate
17 determined by the Secretary of the Treasury, taking into con-
18 sideration the average market yield on outstanding market-
19 able obligations of the United States of comparable maturities
20 during the month preceding the issuance of such notes or
21 other obligations.”.

22 CHANGES IN FHA INSURANCE BENEFITS AND SIMPLIFICA-
23 TION OF PAYMENT PROCEDURES

24 SEC. 803. (a) Section 204 of the National Housing Act
25 is amended by—

1 (1) striking out in the third sentence of subsection
2 (a) the words “insurance on the mortgaged property,
3 and any mortgage insurance premiums paid after either
4 of such dates” and inserting in lieu thereof the follow-
5 ing: “charges for the administration, operation, mainte-
6 nance, and repair of community-owned property or the
7 maintenance and repair of the mortgaged property, the
8 obligation for which arises out of a covenant filed for
9 record and approved by the Commissioner prior to the
10 insurance of the mortgage, insurance on the mortgaged
11 property, and any mortgage insurance premiums”;

12 (2) inserting after the second proviso of subsec-
13 tion (a) two additional provisos as follows: “*And pro-*
14 *vided further,* That with respect to a mortgage accepted
15 for insurance pursuant to a commitment issued on or
16 after the effective date of the Housing and Community
17 Development Act of 1964, the Commissioner may in-
18 clude in debentures or in the cash payment an amount
19 not to exceed the foreclosure, acquisition, and convey-
20 ance costs actually paid by the mortgagee and approved
21 by the Commissioner: *And provided further,* That with
22 respect to a mortgage accepted for insurance pursuant to
23 a commitment issued prior to the effective date of the
24 Housing and Community Development Act of 1964, the
25 Commissioner may, with the consent of the mortgagee

1 (in lieu of issuing a certificate of claim as provided in
2 subsection (e)), include in debentures or in the cash
3 payment, in addition to amounts otherwise allowed for
4 such costs, an amount not to exceed one-third of the
5 total foreclosure, acquisition, and conveyance costs
6 actually paid by the mortgagee and approved by the
7 Commissioner, but in no event may the total allowance
8 for such costs exceed the amount actually paid by the
9 mortgagee:”;

10 (3) striking out “and the payment of insurance
11 premiums” in the third proviso in subsection (a) and
12 inserting the following at the end of that proviso preced-
13 ing the colon: “or where claim is paid in cash pursuant
14 to the provisions of section 220, 221, or 233 of this Act,
15 there shall be included in the cash payment an amount
16 equivalent to the compensation for loss of debenture
17 interest that would be included in computing debentures
18 if the claim were being paid in debentures”;

19 (4) striking out “\$50” in the second sentence of
20 subsection (c) and inserting in lieu thereof “\$350”;

21 (5) striking out in the second sentence of sub-
22 section (d) “, except that debentures issued pursuant
23 to the provisions of section 220 (f) , section 221 (g) ,
24 and section 233 may be dated as of the date the
25 mortgage is assigned (or the property is conveyed)

1 to the Commissioner, and” and inserting in lieu thereof
2 “: *Provided*, That debentures issued pursuant to claims
3 for insurance filed on or after the effective date of the
4 Housing and Community Development Act of 1964
5 shall be dated as of the date of default or as of such
6 later date as the Commissioner, in his discretion, may
7 establish by regulation. The debentures”;

8 (6) adding at the end of subsection (e) the fol-
9 lowing new sentence: “With respect to a mortgage
10 accepted for insurance pursuant to a commitment issued
11 on or after the effective date of the Housing and Com-
12 munity Development Act of 1964, the provisions of
13 this subsection shall not be applicable and a certificate
14 of claim shall not be issued.”;

15 (7) amending the first unnumbered paragraph of
16 subsection (f) to read as follows:

17 “(f) (1) If, after deducting (in such manner and
18 amount as the Commissioner shall determine to be equitable
19 and in accordance with sound accounting practice) the
20 expenses incurred by the Commissioner, the net amount
21 realized from any property conveyed to the Commissioner
22 under this section and the claims assigned therewith exceeds
23 the face value of the debentures issued and the cash paid in
24 exchange for such property plus all interest paid on such
25 debentures, such excess shall be divided as follows:”;

1 (8) redesignating paragraph (1) of subsection (f)
2 as (i) and striking out “207; and” at the end of the
3 paragraph and inserting in lieu thereof the following:
4 “207: *Provided*, That on and after the effective date
5 of the Housing and Community Development Act of
6 1964, any excess remaining after payment to the holder
7 of the full amount of the certificate of claim, together
8 with the accrued interest increment thereon, shall be
9 retained by the Commissioner and credited to the appli-
10 cable insurance fund; and”;

11 (9) redesignating paragraph (2) of subsection (f)
12 as (ii) ; and

13 (10) designating the second unnumbered para-
14 graph of subsection (f) as (2) and inserting the fol-
15 lowing preceding the period at the end thereof: “: *Pro-*
16 *vided*, That the settlement authority created by the
17 Housing Amendments of 1955 shall be terminated with
18 respect to any certificates of claim outstanding as of the
19 effective date of the Housing and Community Develop-
20 ment Act of 1964.

21 “(3) With the consent of the holder thereof, the Com-
22 missioner is authorized, without awaiting the final liquida-
23 tion of the Commissioner’s interest in the property, to settle
24 any certificate of claim issued pursuant to subsection (e)
25 with respect to which settlement had not been effected

1 prior to the effective date of the Housing and Community
2 Development Act of 1964, by making payment in cash
3 to the holder thereof of such amount not exceeding the face
4 amount of the certificate of claim, together with the accrued
5 interest thereon, as the Commissioner may consider appro-
6 priate: *Provided*, That in any case where the certificate of
7 claim is settled in accordance with the provisions of this
8 paragraph, any amounts realized after the effective date of
9 the Housing and Community Development Act of 1964, in
10 the liquidation of the Commissioner's interest in the prop-
11 erty, shall be retained by the Commissioner and credited to
12 the applicable insurance fund".

13 (b) Section 207 (g) of the National Housing Act is
14 amended by adding the following at the end thereof: "Not-
15 withstanding any other provisions of this Act, upon receipt,
16 after the effective date of the Housing and Community De-
17 velopment Act of 1964, of an application for insurance
18 benefits on a mortgage insured under this section, the Com-
19 missioner may terminate the mortgagee's obligation to pay
20 premium charges on the mortgage."

21 (c) Sections 203 (k), 220 (f) (3), 220 (h) (6), 221
22 (g) (3), and 233 (g) of the National Housing Act are each
23 amended by adding the following sentence at the end thereof:
24 "If the insurance payment is made in cash, there shall be
25 added to such payment an amount equivalent to the interest

1 which the debentures would have earned, computed to a date
2 to be established pursuant to regulations issued by the Com-
3 missioner.”

4 (d) Section 604 of the National Housing Act is
5 amended by—

6 (1) inserting after the first proviso in subsection

7 (a) an additional proviso as follows: “*And provided*
8 *further*, That with respect to any debentures issued on
9 or after the effective date of the Housing and Com-
10 munity Development Act of 1964, the Commissioner
11 may, with the consent of the mortgagee (in lieu of
12 issuing a certificate of claim as provided in subsection
13 (e)), include in debentures, in addition to amounts
14 otherwise allowed for such costs, an amount not to ex-
15 ceed one-third of the total foreclosure, acquisition, and
16 conveyance costs actually paid by the mortgagee and
17 approved by the Commissioner, but in no event may the
18 total allowance for such costs exceed the amount actually
19 paid by the mortgagee.”;

20 (2) striking out “\$50” in the second sentence of
21 subsection (c) and inserting in lieu thereof “\$350”;

22 (3) striking out “default, and” in the second sen-
23 tence of subsection (d) and inserting in lieu thereof the

1 following: "default, except that debentures issued pur-
2 suant to claims for insurance filed on or after the effec-
3 tive date of the Housing and Community Development
4 Act of 1964, shall be dated as of the date of default or
5 as of such later date as the Commissioner, in his dis-
6 cretion, may establish by regulation. The debentures";

7 (4) amending the first unnumbered paragraph of
8 subsection (f) to read as follows:

9 "(f) (1) If, after deducting (in such manner and
10 amount as the Commissioner shall determine to be equitable
11 and in accordance with sound accounting practice) the ex-
12 penses incurred by the Commissioner, the net amount real-
13 ized from any property conveyed to the Commissioner under
14 this section and the claims assigned therewith exceeds the
15 face value of the debentures issued and the cash paid in ex-
16 change for such property plus all interest paid on such deben-
17 tures, such excess shall be divided as follows:";

18 (5) redesignating paragraph (1) of subsection
19 (f) as (i) and striking out "property; and" at the of
20 the paragraph and inserting in lieu thereof the following:
21 "property: *Provided*, That on and after the effective
22 date of the Housing and Community Development Act
23 of 1964, any excess remaining after payment to the

1 holder of the full amount of the certificate of claim shall
2 be retained by the Commissioner and credited to the
3 War Housing Insurance Fund; and ”;

4 (6) redesignating paragraph (2) of subsection (f)
5 as (ii) ; and

6 (7) designating the second unnumbered paragraph
7 of subsection (f) as (2) and inserting the following
8 preceding the period at the end thereof: “: *Provided*,
9 That the settlement authority created by the Housing
10 Amendments of 1955 shall be terminated with respect
11 to any certificate of claim outstanding as of the effective
12 date of the Housing and Community Development Act
13 of 1964.

14 “(3) With the consent of the holder thereof, the Com-
15 missioner is authorized to settle, without awaiting the final
16 liquidation of the Commissioner’s interest in the property, any
17 certificate of claim issued pursuant to subsection (e) with
18 respect to which a settlement had not been effected prior to
19 the effective date of the Housing and Community Develop-
20 ment Act of 1964, by making payment in cash to the holder
21 thereof of such amount, not exceeding the face amount of the
22 certificate of claim, together with the accrued interest incre-
23 ment thereon, as the Commissioner may consider appropri-
24 ate: *Provided*, That in any case where the certificate of
25 claim is settled in accordance with the provisions of this

1 paragraph, any amounts realized after the effective date of
2 the Housing and Community Development Act of 1964, in
3 the liquidation of the Commissioner's interest in the prop-
4 erty, shall be retained by the Commissioner and credited to
5 the applicable insurance fund".

6 (e) Section 904 of the National Housing Act is amended
7 by—

8 (1) inserting after the first proviso in subsection
9 (a) an additional proviso as follows: "*And provided*
10 *further*, That with respect to any debentures issued on
11 or after the effective date of the Housing and Commu-
12 nity Development Act of 1964, the Commissioner may,
13 with the consent of the mortgagee (in lieu of issuing a
14 certificate of claim as provided in subsection (e)),
15 include in debentures, in addition to amounts otherwise
16 allowed for such costs, an amount not to exceed one-
17 third of the total foreclosure, acquisition, and convey-
18 ance costs actually paid by the mortgagee and approved
19 by the Commissioner, but in no event may the total
20 allowance for such costs exceed the amount actually
21 paid by the mortgagee:";

22 (2) striking out "\$50" in the second sentence of
23 subsection (c) and inserting in lieu thereof "\$350";
24 and

25 (3) striking out "default, and" in the second sen-

1 tence of subsection (d) and inserting in lieu thereof the
 2 following: “default, except that debentures issued pur-
 3 suant to claims for insurance filed on or after the effec-
 4 tive date of the Housing and Community Development
 5 Act of 1964 shall be dated as of the date of default
 6 or as of such later date as the Commissioner, in his
 7 discretion, may establish by regulation. The deben-
 8 tures”.

9 REHABILITATION IN URBAN RENEWAL AREAS

10 SEC. 804. Section 220 of the National Housing Act is
 11 amended by—

12 (1) striking out the colon and the second proviso
 13 preceding the semicolon at the end of clause (i) in
 14 subsection (d) (3) (A) ;

15 (2) striking out clause (ii) in subsection (d) (3)
 16 (A) and inserting in lieu thereof the following:

17 “(ii) in a case where the mortgagor is not the
 18 occupant of the property and the mortgagor intends to
 19 hold the property for rental purposes, have a principal
 20 obligation in an amount not to exceed (1) the amount
 21 available to a mortgagor who is the occupant of the
 22 property computed under the provisions of clause (i),
 23 nor (2) 90 per centum of the Commissioner’s estimate
 24 of the replacement cost, nor (3) 90 per centum of the
 25 sum referred to in the proviso in clause (i) ;

1 “(iii) in a case where the mortgagor is not the
2 occupant of the property and intends to hold the property
3 for the purpose of sale, have a principal obligation in an
4 amount not to exceed 85 per centum of the amount com-
5 puted under the provisions of clause (i), or in the alter-
6 native, an amount computed under the provisions of
7 clause (i) if the mortgagor and mortgagee assume
8 responsibility in a manner satisfactory to the Commis-
9 sioner for the reduction of the mortgage by an amount
10 not less than 15 per centum of the outstanding principal
11 amount thereof in the event the mortgaged property is
12 not, prior to the due date of the eighteenth amortization
13 payment of the mortgage, sold to a purchaser acceptable
14 to the Commissioner who is the occupant of the property
15 and who assumes and agrees to pay the mortgage
16 indebtedness; and

17 “(iv) in no case involving refinancing, have a
18 principal obligation in an amount exceeding the sum of
19 the estimated cost of repair and rehabilitation and the
20 amount (as determined by the Commissioner) required
21 to refinance existing indebtedness secured by the
22 property or project and any existing indebtedness in-
23 curred in connection with improving, repairing, or
24 rehabilitating the property; or”.

1 FHA SECTION 221 HOUSING FOR LOW- OR MODERATE-
2 INCOME ELDERLY PERSONS

3 SEC. 805. Section 221 (c) of the National Housing Act
4 is amended by adding at the end thereof the following sen-
5 tence: "Any person sixty-two years of age or over may be
6 construed to be a family within the meaning of the terms
7 'family' or 'families' as those terms are used in this section
8 221."

9 MORTGAGE INSURANCE FOR SERVICEMEN

10 SEC. 806. Section 222 (b) of the National Housing Act
11 is amended by—

12 (1) striking out in paragraph (1) "203 (b) or
13 203 (i)" and inserting in lieu thereof "203 (b), 203 (i),
14 or 221 (d) (2)," ; and

15 (2) striking out in paragraph (2) "such principal
16 obligation shall not exceed \$9,000." and inserting in lieu
17 thereof "or section 221 (d) (2) such principal obliga-
18 tion shall not exceed the maximum limits prescribed for
19 these sections."

20 PRIVATE FINANCING OF SALE OF FHA-ACQUIRED

21 PROPERTIES

22 SEC. 807. Section 223 (c) of the National Housing Act
23 is amended by striking out "limitation upon eligibility con-
24 tained in this title II" and inserting in lieu thereof the follow-
25 ing: "limitations or requirements contained in title II upon

1 the eligibility of the mortgage, the payment of insurance
2 premiums, or upon the terms and conditions of insurance
3 settlement and the benefits of the insurance to be included
4 in such settlement.”

5 MORTGAGE INSURANCE FOR CONDOMINIUMS

6 SEC. 808. (a) Section 234 of the National Housing Act
7 is amended by—

8 (1) striking out the heading and inserting in lieu
9 thereof “MORTGATE INSURANCE FOR CONDOMINIUMS”;

10 (2) striking out “structure” each place it appears
11 in this section and inserting in lieu thereof “project”;

12 (3) striking out in subsection (b) “the term ‘mort-
13 gage’ for the purposes of this section” and inserting in
14 lieu thereof “the term ‘mortgage’ for the purposes of
15 subsection (c)”;

16 (4) striking out in subsection (c) “this section”
17 each time it appears and inserting in lieu thereof “this
18 subsection”;

19 (5) striking out in subsection (c) “section 213”
20 each time it appears and inserting in lieu thereof “sec-
21 tion 213 (a) (1) and (2)”;

22 (6) striking out the third sentence of subsection
23 (c) and inserting in lieu thereof the following: “To be
24 eligible for insurance pursuant to this subsection, a
25 mortgage shall (A) involve a principal obligation in

1 an amount not to exceed \$30,000, and not to exceed
2 the sum of (i) 97 per centum of \$15,000 of the amount
3 which the Commissioner estimates will be the appraised
4 value of the family unit including common areas and
5 facilities as of the date the mortgage is accepted for
6 insurance, (ii) 90 per centum of such value in excess of
7 \$15,000 but not in excess of \$20,000, and (iii) 75 per
8 centum of such value in excess of \$20,000, and (B)
9 have a maturity satisfactory to the Commissioner, but
10 not to exceed, in any event, thirty-five years from the
11 date of the beginning of amortization of the mortgage
12 or three-fourths of the Commissioner's estimate of the
13 remaining economic life of the project, whichever is the
14 lesser."

15 (7) adding the following new subsections (d),
16 (e), and (f) :

17 "(d) In addition to individual mortgages insured under
18 subsection (c) of this section, the Commissioner is author-
19 ized, in his discretion and under such terms and conditions
20 as he may prescribe, to insure blanket mortgages (including
21 advances on such mortgages during construction) which
22 cover multifamily projects to be constructed or rehabilitated,
23 and held by a mortgagor, approved by the Commissioner,
24 which—

25 "(1) has certified to the Commissioner, as a con-

1 dition of obtaining the insurance of a blanket mortgage
2 under this subsection, that upon completion of the
3 multifamily project covered by such mortgage it intends
4 to commit the ownership of the multifamily project to
5 a plan of family unit ownership, under which each family
6 unit would be eligible for individual mortgage insurance
7 under subsection (c) of this section and will faithfully
8 and diligently make and carry out all reasonable efforts
9 to establish such plan of family unit ownership and to
10 sell such family units to purchasers approved by the
11 Commissioner; and

12 “(2) shall be regulated or restricted by the Commis-
13 sioner as to rents, charges, capital structure, rate of re-
14 turn, and methods of operation until the termination of
15 all obligations of the Commissioner under the insurance
16 and during such further period of time as the Commis-
17 sioner shall be the owner, holder, or reinsurer of the
18 mortgage. The Commissioner may make such contracts
19 with and acquire, for not to exceed \$100, such stock or
20 interest in such mortgagor as he may deem necessary
21 to render effective the regulation and restriction of such
22 mortgagor. The stock or interest acquired by the Com-
23 missioner shall be paid for out of the Apartment Unit
24 Insurance Fund, and shall be redeemed by the mortgagor
25 at par at any time upon the request of the Commissioner

1 after the termination of all obligations of the Commis-
2 sioner under the insurance.

3 “(e) To be eligible for insurance, a blanket mortgage on
4 any multifamily property or project of a mortgagor of the
5 character described in subsection (d) of this section shall in-
6 volve a principal obligation in an amount —

7 “(1) not to exceed \$20,000,000, or not to exceed
8 \$25,000,000, if the mortgage is executed by a mortgagor
9 regulated or supervised under Federal or State laws or by
10 political subdivisions of States or agencies thereof, as to
11 rents, charges, and methods of operation;

12 “(2) not to exceed 90 per centum of the amount
13 which the Commissioner estimates will be the replace-
14 ment cost of the project when the proposed physical im-
15 provements are completed;

16 “(3) not to exceed, for such part of the project as
17 may be attributable to dwelling use (excluding exterior
18 land improvements as defined by the Commissioner),
19 \$2,500 per room (or \$9,000 per family unit if the num-
20 ber of rooms in the project is less than four per family
21 unit) : *Provided*, That as to projects to consist of ele-
22 vator-type structures, the Commissioner may, in his dis-
23 cretion, increase the dollar amount limitation of \$2,500
24 per room to not to exceed \$3,000 per room and the dollar
25 amount limitation of \$9,000 per family unit to not to

1 exceed \$9,400 per family unit, as the case may be, to
2 compensate for the higher costs incident to the construc-
3 tion of elevator-type structures of sound standards of
4 construction and design, except that the Commissioner
5 may, by regulation, increase any of the foregoing dollar
6 amount limitations contained in this paragraph by not to
7 exceed \$1,250 per room without regard to the number
8 of rooms being less than four, or four or more, in any
9 geographical area where he finds that cost levels so
10 require; and

11 “(4) not to exceed an amount equal to the sum
12 of the unit mortgage amounts determined under the
13 provisions of subsection (c) assuming the mortgagor
14 to be the owner and occupant of each family unit.

15 “(f) Any blanket mortgage insured under subsection
16 (d) of this section shall provide for complete amortization
17 by periodic payments within such terms as the Commissioner
18 may prescribe but not to exceed forty years from the begin-
19 ning of amortization of the mortgage, and shall bear interest
20 (exclusive of premium charges for insurance) at not to
21 exceed $5\frac{1}{4}$ per centum per annum, on the amount of the
22 principal obligation outstanding at any time. The Com-
23 missioner may consent to the release of a part or parts of the
24 mortgaged property from the lien of the blanket mortgage
25 upon such terms and conditions as he may prescribe and the

1 blanket mortgage may provide for such release. The
2 property or project covered by the blanket mortgage may
3 include 5 or more family units and such commercial and
4 community facilities as the Commissioner deems adequate to
5 serve the occupants.”;

6 (8) redesignating subsection (d) as (g), striking
7 out “this section” each time it appears therein and insert-
8 ing in lieu thereof “subsection (c) of this section”, and
9 striking out therein “section 204 (f) (1)” and inserting
10 in lieu thereof “section 204 (f) (1) (i)”;

11 (9) inserting the following new subsection (h) :

12 “(h) The provisions of subsections (d), (e), (g), (h),
13 (i), (j), (k), (l), (m), (n), and (p) of section 207 shall
14 be applicable to mortgages insured under subsection (d) of
15 this section, except that all references to the Housing Insur-
16 ance Fund, or Housing Fund, shall be construed to refer to
17 the Apartment Unit Insurance Fund.”;

18 (10) redesignating subsection (e) as (i) ; and

19 (11) redesignating subsection (f) as (j) and
20 amending the subsection to read as follows:

21 “(j) The provisions of sections 225 and 230 shall be
22 applicable to the mortgages insured under subsection (c) of
23 this section.”.

1 (b) Section 212 (a) of said Act is amended by adding
 2 at the end thereof "The provisions of this section shall also
 3 apply to the insurance of any mortgage under section
 4 234 (d).".

5 (c) Section 227 (a) of said Act is amended by striking
 6 out "or (vii)" and inserting in lieu thereof "(vii)", and by
 7 adding at the end thereof preceding the semicolon " , or
 8 (viii) under section 234 (d)".

9 TRANSFER OF FUNDS

10 SEC. 809. Section 219 of the National Housing Act is
 11 amended by inserting "the General Surplus Account of the
 12 Mutual Mortgage Insurance Fund," after "the Title I Hous-
 13 ing Insurance Fund,".

14 TITLE IX—MISCELLANEOUS

15 FNMA—REMOVAL OF \$20,000 MORTGAGE AMOUNT

16 LIMITATION

17 SEC. 901. Section 302 (b) of the Federal National
 18 Mortgage Association Charter Act is amended by—

19 (1) striking out "any mortgage" in clause (3) and
 20 inserting in lieu thereof "any mortgage under section
 21 305"; and

22 (2) striking out the colon and the proviso preced-
 23 ing the period in clause (3).

1 FNMA—NINETY PER CENTUM LOANS

2 SEC. 902. Section 304 (a) (2) of the Federal National
3 Mortgage Association Charter Act is amended by striking
4 out “80 per centum” and inserting in lieu thereof “90 per
5 centum”.

6 FNMA—PURCHASE OF PARTICIPATIONS

7 SEC. 903. Section 304 (d) of the Federal National
8 Mortgage Association Charter Act is hereby repealed.

9 OPEN-SPACE PROGRAM—GRANT AUTHORIZATION

10 SEC. 904. Section 702 (b) of the Housing Act of 1961
11 is amended by adding the following at the end thereof:
12 “There are also authorized to be appropriated, after the
13 date of enactment of the Housing and Community Develop-
14 ment Act of 1964, such amounts for additional grants as
15 may be necessary to carry out the purposes of this title.
16 All funds so appropriated shall remain available until
17 expended.”

18 HOUSING FOR THE ELDERLY—LOAN AUTHORIZATION

19 SEC. 905. Section 202 (a) (4) of the Housing Act of
20 1959 is amended by striking out “not to exceed \$275,000,-
21 000” and inserting in lieu thereof “such sums as may be
22 necessary to carry out the provisions of this section,”.

A BILL

To help provide adequate dwelling accommodations for more families who have low or moderate incomes, who are elderly, or who are subjected to the special problems of displacement from their homes by Government action; to promote orderly community development and growth; and to extend and amend laws relating to housing, urban renewal, and community facilities.

By Mr. RAINS

JANUARY 27, 1964

Referred to the Committee on Banking and Currency

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C. 20250
Official business Postage and fees paid
U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued July 30, 1964
For actions of July 29, 1964
88th-2nd; No. 145

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HIGHLIGHTS: House Rules Committee reported resolution to send pay bill to conference. House Rules Committee cleared poverty bill. House Rules Committee cleared bill to prohibit futures trading in Irish potatoes, then agreed to reconsider. Reps. Nelsen and Hoeven urged passage of meat-import restriction bill. Sen. Pearson criticized USDA's livestock policies. Sen. Gruening inserted data on USDA investment in Alaska.

SENATE

1. LIVESTOCK. Sen. Pearson criticized the USDA's policies relating to livestock in general, and its treatment of beef imports in particular. pp. 16754-5
2. COFFEE. Sen. McNamara opposed H.R. 8864, to implement the obligations of the U.S. under the International Coffee Agreement, 1962, because "it would unfairly penalize the consumers of this country." pp. 16834-5

3. DEFENSE APPROPRIATION BILL FOR 1965. Passed, 76-0, with amendments, this bill, H.R. 10939. Conferees were appointed. pp. 16778-830
Sen. Gruening praised the provision requiring the use of fresh milk in Alaska and inserted data showing the investment of seven USDA agencies in Alaska from 1959 to 1965. pp. 16778-9
4. RECREATION. Sen. Douglas spoke in favor of S. 2249, to authorize the Indiana Dunes National Lakeshore. p. 16834
The Interior and Insular Affairs Committee voted to report (but did not actually report) S. 2048, amended, to establish the Big Horn Canyon National Recreation Area, Wyoming and Montana. p. D605
5. ETHICS. Passed over S.J. Res. 187, to establish a Commission on Ethics in the Federal Government. p. 16760
6. RECLAMATION; FLOOD CONTROL. Passed ^{without} amendment H.R. 7419, to maintain flood control works on the lower Colorado River. This bill will now be sent to the President. p. 16762
7. HOUSING. The Banking and Currency Committee reported an original bill, S. 3049, to extend and amend laws relating to housing, urban renewal, and community facilities. (S. Rept. 1265) p. 16746
8. ECONOMIC CONVERSION. Sen. Symington inserted a statement by Sen. Long (Mo.) supporting S. 2274, to establish a National Economic Conversion Commission. pp. 16774-8
9. FRUIT FLAVORS. The Finance Committee reported with amendments, H.R. 4649, to authorize the use of certain volatile fruit-flavor concentrates in the cellar treatment of wine (S. Rept. 1251). p. 16745
10. WOOL. The Commerce Committee reported with amendment S. 1778, permitting wool products to be sold without a label whenever disclosure of wool fiber content is not necessary for the protection of the consumer (S. Rept. 1253). p. 16746
11. IRRIGATION. The Interior and Insular Affairs Committee reported with amendment S. 1531, to increase the appropriation authorization for the completion of the construction of the irrigation and power systems of the Flathead Indian irrigation project, Montana (S. Rept. 1256). p. 16746
12. PACIFIC ISLANDS. The Interior and Insular Affairs Committee reported with amendment H. R. 1988, to provide for the settlement of claims of certain residents of the Trust Territory of the Pacific Islands (S. Rept. 1257); and H.R. 3198, to promote the economic and social development of the Trust Territory of the Pacific Islands (S. Rept. 1258). p. 16746
13. LANDS. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 1892, to repeal the Pittman Act, the right to prospect for underground water on designated public lands in Nevada; and H.R. 5159, amended, to state the policy of Congress that lands administered by the Secretary of the Interior be managed under principles of multiple use to produce a sustained yield of products and services. p. D605

88TH CONGRESS }
2d Session }

SENATE

{ REPORT
{ No. 1265

HOUSING ACT OF 1964

REPORT
OF THE
COMMITTEE ON
BANKING AND CURRENCY
UNITED STATES SENATE
TO ACCOMPANY
S. 3049
TOGETHER WITH
INDIVIDUAL VIEWS



JULY 29, 1964.—Ordered to be printed

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HOUSING ACT OF 1964

JULY 29, 1964.—Ordered to be printed

Mr. SPARKMAN, from the Committee on Banking and Currency,
submitted the following

REPORT

together with

INDIVIDUAL VIEWS

[To accompany S. 3049]

The Committee on Banking and Currency, to whom was referred the bill (S. 3049) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

INTRODUCTION

GENERAL

When the 2d session of the 88th Congress convened on January 7, 1964, there were some 29 bills¹ pending before the Housing Subcommittee. Hearings on some of these measures were held during the 1st session of the 88th Congress.²

Following the convening of the 2d session of the 88th Congress, the President's housing message was received on January 27, 1964, and the administration's proposed Housing and Community Development Act of 1964 (S. 2468) was introduced and referred to the subcommittee. In addition, some 11 other bills³ pertaining to housing legislation were introduced and referred to the subcommittee. Hearings were held by the subcommittee on February 19, 20, 24, 25, 26, 27, 28, and March 3, 1964, on the administration's proposals and all

¹ S. 7, S. 9, S. 374, S. 474, S. 484, S. 782, S. 810, S. 811, S. 868, S. 917, S. 923, S. 958, S. 981, S. 1170, S. 1200, S. 1440, S. 1675, S. 1947, S. 1948, S. 1997, S. 2031, S. 2045, S. 2086, S. 2130, S. 2226, S. 2232, S. 2253, S. Res. 185, and H.R. 5048.

² S. 810, S. 811, and S. 2130, Sept. 17, 18, and 19, 1963; S. 1170, Oct. 2, 3, and 4, 1963; S. 981, Oct. 15, 1963; S. 1200 and S. 2226, Oct. 17 and 18, 1963; S. 484 and S. 1675, Nov. 12, 1963.

³ S. 2469, S. 2470, S. 2516, S. 2524, S. 2566, S. 2614, S. 2615, S. 2695, S. 2889, S.J. Res. 180, and H.R. 6652.

other pending measures, notwithstanding earlier hearings on some of these matters.

Subsequently, on July 1 and 2, 1964, the subcommittee met in executive session to consider the pending bills, the testimony received during the hearings and all other matters presented to it in connection with 1964 housing legislation. After careful consideration and deliberation, the subcommittee made its recommendations for 1964 housing legislation to the committee. On July 22, 23, and 28, 1964, in executive session, the committee considered the recommendations of the subcommittee and other pending matters, and ordered a committee bill reported for the consideration of the Senate.

SUBCOMMITTEE RECOMMENDATIONS

As it has been shown in the introduction above, the subcommittee had, when it met in executive session to prepare its recommendations for 1964 housing legislation, some 41 bills to consider. Many of these bills, like the administration's Housing and Community Development Act of 1964 (S. 2468), contained very complex and far-reaching proposals which the subcommittee had not had sufficient time to study. Testimony during the hearings also revealed that some public and private housing groups felt they had not had sufficient time to consider some of these complex matters, and therefore requested the subcommittee to defer the more complex proposals until a later date. Because of these circumstances, and because of the short period of time remaining in this Congress, it was the consensus of the subcommittee members that the subcommittee's recommendations to the committee for 1964 housing legislation should only extend, either by date or by the addition of funds, existing housing programs for a period of approximately 15 months—until October 1, 1965. In addition, the subcommittee felt its recommendations should contain such technical or procedural amendments, as recommended by the Housing Agency and others, that would permit more efficient administration of existing programs and that would help to meet the broad aims of the national housing policy. The subcommittee also felt that its recommendations should contain amendments on such subjects as the subcommittee had adequately studied that would be helpful to the people that the various housing acts are designed to serve. The subcommittee's recommendations followed, in general, these principles.

COMMITTEE BILL

The committee agreed to the general principles followed by the subcommittee in its recommendations. After considering the specific proposals in the subcommittee's recommendations, the committee accepted those proposals and added several provisions which were in keeping with the general outline of the principles suggested by the subcommittee. The committee urges favorable consideration of the bill by the Senate.

There follows a discussion of each section of the committee bill.

TITLE I—MORTGAGE INSURANCE PROGRAMS

ADDITIONAL RELIEF FOR HOME MORTGAGORS IN DEFAULT DUE TO
CIRCUMSTANCES BEYOND THEIR CONTROL

Section 101 of the bill would permit the Federal Housing Commissioner to provide additional relief for home mortgagors in default due to circumstances beyond their control. The existing provisions of the National Housing Act which permit relief (forbearance) to home mortgagors whose payments on FHA-insured mortgages are in default due to circumstances beyond their control would be amended to (1) permit additional relief to the mortgagors, and (2) make lenders more willing to extend forbearance to mortgagors who are in default rather than proceeding to immediate foreclosure. In addition, the provisions of the act for payment of insurance claims on mortgages in default would be simplified and liberalized by other provisions in the bill. These amendments would also encourage forbearance by lenders.

First, the additional relief provided by this section would permit lenders to recast or reamortize the mortgages and extend mortgage maturities. The recasting of the mortgage could include all amounts due under the mortgage, including delinquent interest. Under existing law, the FHA does not have authority to permit a mortgagee to recast delinquent interest. Also, under existing law the maturity of a mortgage cannot be extended except where the mortgage term is less than the maximum term of the mortgage permitted by the law.

Second, where a lender mortgagee has entered into a forbearance agreement in a case of default, FHA would be authorized to agree to include in the debentures issued to pay insurance benefits, if the default finally results in foreclosure, the interest on all of the mortgage payments which had become due and unpaid prior to foreclosure. Under the present law the mortgage interest unpaid prior to the time the lender agrees to extend forbearance relief cannot be taken into consideration in computing the insurance payment. The amendment would assure lenders who grant forbearance with the approval of the Commissioner, that they would be insured against loss of interest on the mortgage payments in default prior to the forbearance agreement. This would prevent immediate foreclosure in cases of default by the lenders who are unwilling to risk loss of this amount of interest.

Third, the Federal Housing Commissioner's authority to accept assignment of a mortgage from a lender in order to avoid foreclosure by the lender would be clarified and broadened as follows:

(a) The law would be made clear that the Commissioner could accept assignment even though the lender had previously granted forbearance relief to the mortgagor. The wording of the existing law does not indicate clearly that an assignment can be accepted by the Commissioner after the mortgagee has entered into a forbearance arrangement which has been approved by the FHA.

(b) The Commissioner would be authorized to include in insurance payments such costs and attorneys fees as the Commissioner finds are properly incurred by the lender in the assignment of the mortgage. Under the present law a mortgage may be assigned in exchange for debentures. The debentures cover the unpaid principal balance of the mortgage, accrued interest, and any advances made by the lender under the provisions of the mortgage. There is no provision, how-

ever, for including in the debentures attorneys fees and court costs that may be involved in assignment of a mortgage. The proposed amendment would encourage mortgagees to assign home mortgages in default in hardship cases rather than foreclosing and applying immediately for insurance benefits.

During the recent subcommittee study of FHA foreclosures, it was shown that existing law gave lenders little incentive to forbear. In fact, mortgagees who were willing to enter forbearance agreements took the risk of losing all interest accruing on the mortgage transaction during the forbearance period, and therefore existing law seems to encourage early foreclosure action. It was learned that oftentimes because of some unforeseen circumstance—illness in the family, temporary job layoff, and so on—mortgagors with excellent repayment records fell behind in their installment payments. Because lenders stood the chance to lose the interest payments during the period that the mortgage was delinquent, it did not behoove them to make an attempt to work out an arrangement with the borrowers to continue the mortgage investment. Instead, in order to avoid losing such interest, it was necessary for mortgagees to take immediate steps to foreclose the property. Once such action was commenced, it became increasingly difficult for the mortgagors to bring the delinquency current, not only because they would be required to pay all the delinquent installment in one lump sum but also because penalties, such as late fees and other charges, were assessed against them.

There was no misfeasance on the part of the lender or his servicer who moved immediately toward foreclosure, for every month that an account remained delinquent the chance for the lender to lose all interest payments for those delinquent months increased. Thus, there appeared to be no real incentive for the lender to forbear regardless of how meritorious the circumstance may have been which caused the mortgagor to be delinquent.

The committee believes that the amendments to existing law contained in section 101 will provide the Federal Housing Commissioner with effective tools to help permit relief to those FHA mortgagors who are in default due to circumstances beyond their control, and at the same time removes those factors which tend to encourage lenders to take early foreclosure action.

During the consideration of section 101 a question arose as to whether a limit should be placed in the statute on the period of time that any forbearance agreement might run. A similar question arose with respect to the term for which a mortgage might be recast, i.e., the period of time by which the amortization period might be extended. It was the general feeling of the committee that the Federal Housing Commissioner should have flexibility in dealing with forbearance cases because the merits of each case would differ considerably and any defined statutory time period could, in some deserving cases, preclude the Commissioner from providing the relief necessary to avoid foreclosure—the alternative to being able to approve forbearance in such cases being the loss of the home through foreclosure and the acquisition of another property by the FHA.

While the committee does not wish to tie the Commissioner's hands in forbearance cases, it does believe that the period of forbearance should be held to a minimum. The committee realizes that each case

will present different circumstances upon which the Commissioner must make his judgment to approve the forbearance agreement. The committee does believe that original forbearance agreements should not run beyond 18 months, and that before any extensions are granted, the Commissioner should be reasonably sure that an extension of the agreement is in the best interest of all parties (the homeowner, lender, and FHA) to the transaction.

The committee was advised that it is not contemplated that the maturity date of the mortgage would normally be extended. The committee was further advised that in cases where it is necessary to extend such maturity date in order to provide for amortization at the agreed-upon monthly payments, a maximum of 10 years beyond the stated maturity of the mortgage would not generally be exceeded. In this connection, the committee feels that in considering any forbearance proposal which involves the extension of the maturity date of the mortgage, the FHA would be guided essentially by the same risk factors that would control the approval of the mortgagor were he refinancing, but FHA may wish to consider that a few additional years are needed to achieve the desired objective of enabling the mortgagor to meet mortgage payments and eventually pay off the mortgage.

CORRECTION OF SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

Section 102 of the bill would add a new section 517 to the National Housing Act which would enable the Federal Housing Commissioner to extend aid to distressed homeowners who, after relying upon FHA construction standards and inspections, find structural or other major defects in their properties purchased with FHA-insured loans. FHA could correct the defects, pay the homeowner's claim on account of the defects, or acquire the property. The authority would be available for new homes purchased under mortgages insured by FHA not more than 3 years prior to the enactment of the amendment. Requests for relief would be required to be received by the Commissioner not later than 4 years after insurance of the mortgage, or such shorter times as the Commissioner may prescribe for particular types of defects.

Although the cases covered by the provisions are isolated and few in number, there are situations in which faulty inspections or mistakes in judgment result in serious deficiencies in the properties and affect their livability. In most instances the builders can be persuaded to correct the deficiencies during the first year following the completion of construction while the builder's warranty remains effective. This is usually the method of dealing with the problem.

Members of the committee as well as other Members of the Senate have, over the years, received many communications from those whose homes are financed through the medium of FHA-insured mortgages complaining of structural or other major defects in their homes. In the majority of cases, when these matters have been called to the attention of the FHA, the agency has been able to have the deficiencies corrected by the homebuilder. In some cases, however, there has been no remedy for the homeowner because the builder was no longer in existence, had no assets, or simply refused to cooperate in adjusting the deficiencies. It is because of the latter reasons that the committee feels that the FHA should have some way to extend aid

to distressed homeowners having substantial structural defects in their homes.

The proposed authority would enable the FHA to deal with situations, sometimes described as "horror cases," where the builder is no longer in existence, has no assets, or refuses to cooperate. It would also afford relief in the case of properties more than 1 year old where the deficiencies in the properties, such as the failure of septic tanks to function, make them uninhabitable or unfit for occupancy.

While the committee is sympathetic with the homeowner who finds his home unlivable because of structural or other major defects, and recommends enactment of this provision in order to take care of such cases, the committee wishes to make it clear that the Federal Housing Commissioner, under the provisions of this new section, has no authority to pay any claim which would be tantamount to, or which might be defined as, a claim for personal injuries or for damages to any property other than the property secured by the mortgage.

In addition, the committee wishes to make it clear that the authority granted by this new section is not intended in any way to relieve the Commissioner from his responsibility of insuring that proper and adequate inspections of construction are made. To the contrary, the committee feels that the Commissioner should do everything that is reasonably possible to insure that thorough and adequate inspections are made.

HOME IMPROVEMENT LOANS OUTSIDE OF URBAN RENEWAL AREAS

Section 103 of the bill would amend the FHA section 203(k) home improvement loan insurance program for homes outside of urban renewal areas in order to make the program more workable and more acceptable to lenders. This section of the bill would remove the requirement that the Commissioner shall find that the property with respect to which a loan is executed is "economically sound," and would substitute a new, more liberal requirement under which the Commissioner must find the property is an "acceptable risk." In addition, section 103 of the bill would authorize the Federal Housing Commissioner to pay lender insurance claims arising under 203(k) in cash. Under existing law they are paid in debentures.

The home improvement loan program for homes outside urban renewal areas was added to the National Housing Act in 1961. The program permits the Federal Housing Commissioner to insure loans for the improvement or enlargement of one- to four-family dwellings (but not multifamily structures) that are located outside urban renewal areas. Such loans can be up to \$10,000 per family unit in amount, or the estimated cost of the improvement, whichever is lesser. The maturity of a loan can be up to 20 years, or three-fourths of the remaining economic life of the property, whichever is the lesser, and it bears an interest rate not in excess of 6 percent.

When establishing the section 203(k) program in 1961, the committee felt that it would enable homeowners to make substantial improvements in their homes without refinancing mortgages, thus providing a useful tool to prevent and eliminate decay and blighting influence from seriously affecting neighborhoods that can be preserved as good residential areas. The committee further felt that through broad use of the program, it would allow homeowners to retain their homes (versus losing them through condemnation as in the case of

urban renewal) and would avoid the necessity for having to restore these areas at some future date through the more costly urban renewal program. Since 1961, however, the program has not been used to a large extent.

Through the end of 1963, the FHA had insured 1,237 of these loans on 1,261 living units for a total amount of \$6,820,750. Although the program is relatively new, and volume is growing, changes are needed if the program is to accomplish its purpose.

Under existing law, the Commissioner must determine that the property to be improved is "economically sound;" that is, he must determine that the property and the neighborhood meet the same criteria as do new homes financed with FHA-insured mortgages under the basic home mortgage program, section 203(b). As a result, the section 203(k) home improvement program has not been effective outside good residential neighborhoods where no undesirable property or neighborhood characteristics exist. In these neighborhoods, the program has been generally used to enlarge existing homes. Its use should be extended to areas in which some obsolescence, decay, and other blighting influences have begun to appear—the "gray areas" which could benefit most from such a program.

The proposed amendment would substitute for the "economic soundness" provision a more liberal requirement that the Commissioner must determine that the property to be improved is an "acceptable risk." The effect of this new requirement would be that the FHA could use more liberal criteria in rating properties and neighborhoods, thus making some of the "gray areas" in our cities eligible for this badly needed home improvement program. Essentially, home improvement would be facilitated where it is most needed.

The program would also be made more attractive to lenders by the addition of authority to the Federal Housing Commissioner to pay insurance benefits in cash in cases of defaults. Under the existing law, the insurance benefits must be paid in 10-year debentures. One reason lenders have given for not making this type of home improvement loan is that the debentures issued under the program can only be used to pay insurance premiums in connection with this type of loan. This makes the debentures less liquid than debentures issued under other programs which can be used for mortgage insurance premiums in large volume programs.

MORTGAGE INSURANCE FOR NONPROFIT NURSING HOMES

Section 104 of the bill would amend section 232 of the National Housing Act to permit the Federal Housing Commissioner to insure mortgages on nursing home facilities sponsored by private nonprofit corporations or associations. In addition, this section would amend existing law in order to require the Surgeon General of the United States to certify that a State agency has certified as to the need and minimum standard of licensing and operation of nursing home facilities. The certification by the Surgeon General is in addition to that made by a State agency (designated in accordance with sec. 612(a)(1) of the Public Health Service Act) which is required by existing law.

A mortgage insurance program for proprietary nursing homes was added as section 232 to the National Housing Act in 1959. Under this program the Federal Housing Commissioner may insure the mortgage on a proprietary nursing home which is in an amount up to

90 percent of the estimated value of the property or project when the proposed improvements are completed.¹

Such mortgage can be amortized over a period of time as prescribed by the Commissioner (usually 40 years) and bear an interest rate of not to exceed 5 percent, with authority vested in the Commissioner to raise the rate to 6 percent. In addition, the 1959 act prohibited the Commissioner from insuring any mortgage under the proprietary program unless he receives, from the State agency designated in accordance with section 612(a)(1) of the Public Health Service Act for the State in which is located the nursing home covered by the mortgage, a certification that (1) there is a need for such nursing home, and (2) there are in force in such State in which the proposed nursing home would be located reasonable minimum standards of licensure and methods of operation for nursing homes. In addition, no mortgage can be insured under this section unless the Commissioner has received such assurance as he deems satisfactory from any such State agency that these standards will be applied and enforced with respect to any nursing home located in the State for which mortgage insurance is provided.

The amendment added by this section of the bill would make non-profit organizations and associations eligible for mortgage insurance under the FHA section 232 program under the same terms and conditions as are sponsors of proprietary nursing homes. This section would require also that the assurances described above be certified to the Commissioner through the Surgeon General of the United States by a properly designated State agency.

In 1959, when establishing the proprietary nursing home program, the committee gave very careful consideration to including in the program nursing home facilities sponsored by nonprofit organizations and associations. The committee again considered this matter when deliberating the housing legislation in 1960 and 1961. On each occasion it was the consensus of the committee that the nonprofit nursing home program provided in the Public Health Service Act (more commonly referred to as the Hill-Burton Act) was designed to meet the needs of nonprofit nursing facility sponsors, and that the committee should avoid creating a duplication of Federal programs serving the same purpose.

The funds available under the Hill-Burton Act have never been sufficiently adequate to fulfill the great need in this area. Because of the lack of sufficient funds, Hill-Burton grants have generally been limited to providing nursing home facilities at or in conjunction with hospitals operated on a nonprofit basis. For these reasons, many nonprofit organizations and associations that are now attempting to meet the needs of our elderly population are precluded from providing assistance in the nursing home area. In addition, these organizations find that they cannot finance such a facility under reasonable terms and conditions in the private financing market.

The committee believes that an FHA insurance program for non-profit nursing homes will be further helpful in meeting the needs of our elderly people and has included this program in the bill.

¹ The 1959 Housing Act which established the FHA mortgage insurance program for proprietary nursing homes originally provided a maximum insurable mortgage amount of 75 percent of the estimated value of the property or project when the proposed improvements were completed. This percentage was subsequently changed to 90 percent by the Housing Act of 1961.

The committee considers the amendment requiring the Surgeon General's certification as well as a certification by the proper State agencies beneficial since the Surgeon General has broad experience in dealing with nursing homes under the Hill-Burton Act.

TITLE II—URBAN RENEWAL AND GROWTH

CODE ENFORCEMENT

Section 201(a) would amend section 101(c) of the Housing Act of 1949 to add to the workable program a requirement that, beginning 3 years after the date of enactment of the Housing Act of 1964, no workable program will be certified or recertified unless the locality has had in effect for at least 6 months a minimum standards housing code and the Housing and Home Finance Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with the code.

The committee recognizes that the full implementation of all the requirements of a minimum standards housing code must take place in stages over a period of time.

In the case of a community that is requesting certification of a workable program for the first time, the committee expects that, with respect to the new code enforcement requirements, the Administrator be satisfied that the community has established an office or administrative agency which will have the authority in the future to carry out code enforcement activities in an effective manner. However, when that community subsequently applies for recertification of its workable program, the committee expects that the community would be required to demonstrate effective progress during the preceding year toward achieving the goal of housing code compliance.

On the other hand, in the case of a community which has an established workable program, the committee expects that each time that community applies for recertification of its workable program, the Administrator must be satisfied that effective progress has been made during that year toward the goal of achieving compliance with the housing code.

It is understood that some communities may be denied recertification until such time as the Administrator is satisfied that the community has fully complied with the new requirements for the workable program.

The committee believes that there is a need for technical assistance to localities to help them plan an adequate program of code enforcement and develop the organization needed to carry out such a program. Section 101(d) of the Housing Act of 1949 provides sufficient statutory authority for the Administrator to give such assistance to communities, at their request. It is the committee's wish that the Administrator will request and receive sufficient funds to permit the carrying out of a meaningful program of such technical assistance.

Section 201 would also authorize a new type of urban renewal project which could consist entirely or substantially of a program of intensive code enforcement in an urban renewal area. The committee expects that this type of project will be utilized in those areas which are basically sound (do not require extensive clearance or rehabilitation activities) but which, principally because of noncompliance with the housing code and related codes of the community, have begun to show

signs of deterioration or blight. If allowed to continue to deteriorate, such areas would ultimately require more extensive renewal treatment, either in the form of clearance or intensive rehabilitation activities. The undertaking of a concerted effort to bring all properties within such areas into compliance with existing codes will, if the codes are adequate for this purpose, keep these areas free of slums and blight and make them desirable places in which to live.

The committee expects that the Administrator will not approve an urban renewal project consisting entirely or substantially of a program of intensive code enforcement unless it can be demonstrated that the code enforcement activities will be adequate to assure that the urban renewal area will remain stable and viable and will not need clearance or rehabilitation renewal activities in the foreseeable future. The committee believes that the cost of carrying out an urban renewal project consisting entirely or substantially of a program of intensive code enforcement would almost always be less than the cost of carrying out the present types of clearance and redevelopment, or rehabilitation or conservation projects. The committee, therefore, expects the Administrator to exercise his discretion and limit grant-in-aid credit for expenditures for public facilities for code enforcement projects so that the proportionate amount available for grant-in-aid credit for these code enforcement projects is similar to the amount of grant-in-aid credit available for clearance and redevelopment, or rehabilitation or conservation projects.

This section would also permit the cost of code enforcement activities carried out in clearance and redevelopment projects, and in rehabilitation or conservation projects, to be included as a part of eligible project cost. Under existing law the scope of the services which may be included in eligible project cost for such projects excludes the preparation of violation notices, the making of compliance inspections of code violations, and similar actions which are a part of regular municipal code enforcement programs. Such code enforcement activities are an integral part of rehabilitation projects and permitting them to be included in eligible project cost will assist the communities in carrying out these activities and eliminate the present problems of segregating these code enforcement costs from other similar project activities.

However, these code enforcement activities can be included as an eligible project cost only if the community agrees to increase its total expenditures for code enforcement activities by an amount equal to its share of the project cost attributable to the code enforcement activities in the project area. Similarly, a community may receive assistance for the new type of code enforcement urban renewal project authorized by this section only if the locality agrees to increase its total expenditures for code enforcement by an amount equal to its share of the cost of such project. This will assure that Federal funds are not used merely to replace local funds in providing code enforcement activities and that a community which wishes to receive the Federal assistance for code enforcement activities made available by this section will at least continue its present level of expenditures for code enforcement in the rest of the community.

This section would also authorize existing capital grant contracts to be amended to permit the cost of code enforcement activities

undertaken after the date of enactment of this act to be included as a part of gross project cost.

The committee expects that the additional assistance for code enforcement activities made possible by this section will permit the Administrator to require immediately more effective implementation of the workable program requirements. While significant progress has been made in achieving the full potential of the workable program requirement, the committee expects the Administrator to make this program as effective as possible and to assure that a community applying for Federal funds is making progress in improving its performance under the workable program.

LOAN CONTRACT FOR TWO OR MORE PROJECTS

Section 202 would permit the Housing and Home Finance Administrator to enter into a single loan contract with a local public agency to provide the temporary financing necessary to carry out any two or more urban renewal projects being undertaken by it at any one time. The amount of the loan authority in the contract would not exceed at any one time the estimated expenditures to be made by the local public agency for the projects then covered by the loan.

Since the inception of the urban renewal program, temporary financing of projects has been handled on the basis of treating each project as an individual financial undertaking. In multiple-project cities, authority is lacking to consolidate borrowed funds in order to use excess funds obtained for one project for the purpose of meeting expenditures incurred by another. This section would provide such authority.

The assets of the projects in the locality brought under the single loan contract would serve as security for the loan under this single contract. However, the rights and obligations of the United States and the local public agency with respect to each project would continue to be set forth in a capital grant contract for the project.

CAPITAL GRANT AUTHORIZATION

Section 203 would increase the aggregate amount of obligational authority for urban renewal grants available to the Administrator from \$4 to \$4.85 billion. The new \$850 million authority would permit the continuation of the program at the present level for a period of approximately 15 months.

Nearly all available capital grant authority is now obligated, and the Housing Agency reports that it has a backlog of applications totaling over \$500 million. About 260 new projects requiring \$700 million in contract authority are expected to be ready for approval during fiscal 1965.

The steady growth of the urban renewal program has demonstrated its wide acceptance by cities over the Nation, both large and small. Although nearly all of our large cities are participating, about two-thirds of the communities involved have populations of less than 50,000.

The following table illustrates the growth in terms of the number of localities participating in the program and the number of urban renewal projects being planned or being carried out.

| At the end of fiscal year-- | Number of localities | Number of projects |
|-----------------------------|-------------------------|-----------------------|
| 1953..... | 86 | 253 |
| 1958..... | 331 | 554 |
| 1963..... | 702 | 1,310 |
| 1964..... | 777 | 1,636 |

In agreeing to the \$850 million new authority for the 15-month period, the committee was aware of the large backlog of applications and of the ever-increasing number of new projects and the possibility that the gross aggregate dollar volume of applications would exceed the available obligational authority. Nevertheless, the committee felt that the current level of activity is a reasonable one and that the URA should carefully screen the applications and limit approval to those projects which fully comply with the intent of the law and in which the community fully demonstrates its capacity and willingness to bring about a timely completion of the project. The committee is aware of the poor public image created by too many incomplete projects, particularly those which seem to have come to a dead halt at the bulldozer stage. The committee strongly urges that the administration tighten its procedures to assure that additional projects for cities already participating in the program are approved only upon an adequate showing that the community is carrying out its existing projects successfully and has the need and capacity to undertake additional projects.

In considering the capital grant authorization necessary to continue the urban renewal program, the committee gave serious thought to a financing repayment feature which would require a locality to repay part of the capital grant from increased tax revenues derived as a result of redevelopment financed with urban renewal assistance. The committee postponed further consideration of this provision until year. By then the committee hopes to have information from the Housing Agency as to methods of developing a formula which would be equitable for the Federal Government and the localities, and one which would establish a revolving fund to be used for capital grants and into which repayments for increased tax revenue could be made. Such a fund could substantially ease the burden the demand for capital grant funds places on the Federal Treasury.

Urban renewal in nonresidential areas

In considering the urban renewal grant authority, the committee discussed the use of grant funds for urban renewal activities in non-residential areas. Historically, primary emphasis in the use of urban renewal funds has been on the removal of slums and the provision of good residential areas. The original 1949 act permitted no exceptions to the so-called predominantly residential requirement, but this requirement has been modified by subsequent amendments and existing law permits 30 percent of the grant authority to be used for non-residential projects. This limitation is on the overall funds and does not apply to the use of funds in any specific locality.

Despite the continued primary emphasis on residential areas the committee is aware of the necessity for the renewal of nonresidential areas, particularly those areas in the downtown business districts.

The vitality and well-being of a city depends not only on having good residential neighborhoods, but also on having sound and attractive industrial and commercial areas. The revitalization of such areas so as to attract job-creating private investment has been recognized as a necessary goal to which urban renewal could make a substantial contribution.

The basic questions are: How much Federal assistance is appropriate for such activities and what is the proper relationship between renewal for residential purposes and renewal for nonresidential purposes? On the surface, it would appear that commercial areas could undertake renewal without Federal assistance in view of the possible economic gain that could be realized from a sound program. Actually this is true only to a limited extent because without Government assistance to help assemble the land and develop an up-to-date renewal plan, most commercial areas which need renewal will continue to be a blighting influence on the entire city.

In addition, the cost of assembling and clearing land is such that even when the cleared areas are to be used primarily for commercial or industrial purposes, it is not feasible to carry out a project without grant assistance. This is particularly true if the urban renewal project is to conform to planning for use of the area which requires that some of the property be put to nonrevenue or low-revenue-producing purposes (such as parks, etc.) which are necessary to the proper development of the entire community.

The committee is aware of the growing need, through the urban renewal program, to revitalize the economic base of central business districts. A number of alternative policies have been advanced. Although the committee fully understands the urgent need for action to assist redevelopment of central business districts, it was not satisfied that it could act wisely in this area without further study. It therefore deferred action on this matter until next year.

The decision to defer action should in no way be interpreted as a reflection of lack of interest of the committee in solving the cities' rebuilding problems through urban renewal. Nor should it be interpreted as any change in the use of the existing 30-percent limitation in the law. To the contrary, the committee would like the Administrator to direct his attention to this matter and study financing and other techniques to help solve this problem so that he can make recommendations to the committee when it meets next year.

FEASIBLE METHOD FOR RELOCATION OF INDIVIDUALS

Section 204 would require local public agencies to assure that there will be available adequate housing for individuals as well as families displaced from an urban renewal area.

Since the inception of the urban renewal program, the relocation requirement has been limited to families. To ameliorate the problems single persons face when they are threatened by displacement through urban renewal activities, the legislative requirement on the availability of decent, safe, and sanitary housing would be extended to all single persons.

However, in order not to disrupt clearance or rehabilitation in projects already planned on the basis of existing housing resources available to families alone, the requirement as to individuals would

become effective for all projects which receive Federal recognition subsequent to the effective date of this act.

PROPERTY TO BE USED FOR HOUSING FOR MODERATE INCOME FAMILIES
OR INDIVIDUALS

Section 205 would amend an existing provision of law which permits the disposal of urban renewal land at a special reduced price for use in the construction of housing for low or moderate income "families." The amendment would extend this authority to housing for low or moderate income "individuals" as well as families.

This change is related to the change proposed in section 507 of the bill under which single elderly persons would be eligible for admission to section 221 housing.

AMENDMENT OF DEFINITION OF "GOING FEDERAL RATE"

Section 206 would require the Administrator to set a single interest rate (based on the "going Federal rate" on the date of the authorization of the contract) for each urban renewal contract for loans or advances authorized after the effective date of this bill. This rate would be applicable not only to the amount originally authorized, but also to any additional amounts authorized by subsequent amendments to that contract.

A corresponding revision would be required in any outstanding contract for loan or advance when it was first authorized to be amended after enactment of this bill. The single interest rate applied to the then outstanding balance (and to any additional amounts provided by future amendments) would be based on the "going Federal rate" in effect on the date the contract amendment was authorized.

Under present law, loans or advances for urban renewal projects must bear interest at the "going Federal rate" in effect at the time the loan contract was authorized or, in the case of later additional amounts loaned or advanced, at the time the increase was authorized. Since the "going Federal rate" at the time of such an increase is often different than at the time of the original loan or advance, this requirement has resulted in some projects having loans or advances outstanding with as many as five or six increments, each bearing a different interest rate. This has caused difficult and expensive accounting problems both for the local public agency and the Federal Government.

These problems would be done away with by this section.

PROJECTS INVOLVING THE ACQUISITION AND DEVELOPMENT OF AIR
RIGHTS SITES

Section 207 would expand existing urban renewal powers with respect to projects involving the use of air rights to provide housing, and related facilities and uses, for low- or moderate-income families.

An air rights development is one located "in space" above the existing surface use. Typically, it involves the acquisition of airspace or development rights above a specified horizontal plane, the construction of a platform or foundation slab upon which further construction can take place, and the acquisition and development of such surface rights as are necessary to permit the provision of supporting columns and access facilities and to assure continuing compatibility between

the surface and airspace uses. While there are several airspace developments in this country which date back 50 years or more, most are comparatively recent and are located or proposed in higher density urban centers. In such places, the use of air rights is increasingly important because of its dual effect of providing new space for construction while simultaneously covering or screening certain necessary surface uses, such as railroad facilities, which may otherwise adversely affect the use and development of surrounding areas.

At present, an urban renewal project otherwise eligible for Federal assistance may include the acquisition of air rights. Permissible project activities do not, however, include the construction of the foundations and platforms which are necessary to provide air rights sites equivalent to those which the program now provides for structures to be located directly on the surface. Also, an air rights project may be unable to qualify where it is to be undertaken in an area consisting of railroad or subway tracks, highways, bridge or tunnel entrances or similar facilities which, while blighting in their effect on surrounding areas, are in themselves economically useful and necessary to the community as a whole and therefore do not constitute a slum, blighted, deteriorated, or deteriorating area.

In view of the growing importance of air rights in certain urban areas, and the need in these same areas for additional sites for low- and moderate-income housing, the committee believes it would be unfortunate if the urban renewal program were precluded, substantially for technical reasons, from providing assistance to air rights projects which are designed to provide such sites and which are otherwise consistent with urban renewal objectives. This section, by removing impediments to such assistance, would serve to adjust the urban renewal program to a new development technique that was largely unrecognized when that program was first authorized 15 years ago.

Under the amendments contained in this section, an air rights project which is otherwise eligible could be undertaken "in space" over an area consisting principally of highways, railroad or subway tracks, or similar facilities, if the project would eliminate a blighting influence and provide housing and related facilities for low- or moderate-income families. The amendment would also make the construction of platforms and foundations an eligible project activity, not only for projects in these areas but also for other projects where the provision of low- or moderate-income housing through the use of air rights may be desirable in the planned redevelopment of slum or blighted areas.

It should be stressed that an area in use largely for railroad or other surface transportation facilities will not necessarily be appropriate for an air rights project merely because this use may inhibit the conservation or development of the surrounding area. Considerations of relative cost, the continued compatibility of surface and airspace uses, and permissible density levels may, for example, all enter into a determination of whether or not a particular project is justifiable from an economic or planning standpoint. In some respects, the questions presented by such projects may have no precise parallel in existing program experience, and the committee expects that each project proposal will be examined accordingly.

The committee also wishes to point out that special considerations are involved where it is proposed, with Federal urban renewal assist-

ance, to develop air rights over a street or other facility which is already dedicated to, and which will continue in, public use. Under this section, air rights over streets, alleys, and other public rights-of-way could not be donated to a project so as to be counted at their cash value as a local grant-in-aid, just as land in such rights-of-way is presently ineligible for grant-in-aid credit where it is donated to an urban renewal project. It would be expected, instead, that such air rights would be donated without cost to the project. Where this is done, project costs could of course still include the cost of constructing platforms and foundations, as well as the cost of other necessary sitework which can be recognized under existing law.

RELOCATION PAYMENTS TO DISPLACED PERSONS AND BUSINESSES

Section 208 would authorize additional federally reimbursed relocation payments to low- or moderate-income families and elderly individuals, and to small independent businesses displaced from urban renewal areas. Such families and elderly individuals would be paid, for up to 12 months, an amount which, when added to 20 percent of income, would equal the average rent required for standard housing in the community. Small independent business concerns would be paid \$1,000 when they are displaced, plus an additional \$1,500 if they are not reestablished within 1 year.

At present, an individual or family displaced from an urban renewal area may be paid reasonable and necessary moving expenses and any actual direct losses of property, but in no event more than \$200. Business concerns and nonprofit organizations displaced from an urban renewal area may be paid reasonable and necessary moving expenses and any actual direct losses of property (except goodwill or profit), but in no event more than \$3,000, or the total certified actual moving expenses (which under Housing Agency regulations, issued under the general discretionary authority of the Housing Administrator, are permitted to be compensated up to \$25,000).

This section retains these existing relocation provisions and consolidates them with new provisions which authorize additional payments to certain displaced business concerns, individuals, and families. One minor change in the existing provisions will permit payment to business concerns or nonprofit organizations for direct losses of property in addition to certified actual moving expenses in cases where not now possible, if displacement occurs after the effective date of the Housing Act of 1964.

The relocation adjustment payment proposed by the Administration would have authorized payments to displaced families and individuals for a 24-month period. The committee cut the period of payment in half, limiting such payment to a maximum of 12 months. In addition, the committee bill limits the Administrator's authority to make such payment to those who would be displaced prior to October 1, 1965.

The committee agreed to this compromise provision on a trial basis with the understanding that the entire matter of relocation assistance to displaced persons and business establishments would be studied and reconsidered in 1965. By that time, the committee would have before it the results of an extensive study of just compensation for

private property taken to meet public needs. The study, being made by a Select Committee on Real Property Acquisition of the Committee on Public Works of the House of Representatives, is to determine whether owners and tenants of property affected by Federal and federally assisted land acquisition programs receive fair and equal compensation and adequate assistance considering the value of their property, the expenses they incur in replacing their homes, the expenses and losses they may suffer in liquidating and reestablishing their farms and businesses, and keeping in mind the interests of the general taxpayer.

The committee expects to use the results of this study in arriving at a proposal to compensate properly families, individuals, and business establishments in a fair and just manner for their expenses and losses suffered as a consequence of their displacement by urban renewal and public housing activities. The results of the study are to be available in the fall of this year. The provisions in the 1964 act will help compensate for the losses of those displaced in the meantime. It is also expected that the Housing Agency will develop some experience on these proposals and be in a position to advise the committee on their workability by next year.

In approving this assistance for relocated persons, the committee wished to emphasize that special caution should be taken by the Administrator to confine the benefits to elderly persons and families who are of low and moderate income and clearly need this Federal subsidy in order to rent decent housing within their ability to pay.

Increased relocation payments to small business concerns

To proprietors of displaced small business concerns (those with average annual net earnings before taxes of less than \$10,000 per year), this section would authorize the payment of \$1,000 when the business concern is displaced from the urban renewal area. An additional \$1,500 could be paid to the proprietor of such a business concern if it has not been reestablished within 1 year and if the proprietor has not received any relocation payment for moving expenses or any actual direct losses of property.

These payments would be available only to those small displaced business concerns which (1) were doing business in a location in the urban renewal area on the date the locality approved the urban renewal plan, (2) were displaced on or after the date of introduction of this bill, and (3) are individual businesses independently owned as distinguished from separate units in a chainstore operation.

These additional payments are designed primarily to assist and benefit small businesses which are far less able than large concerns to adjust to a new environment and compete with larger or more modern enterprises. Even those small business concerns which are able to reopen suffer substantial losses which are not presently compensated. Often there is a period of time required for them to reestablish operations, and often the cost of doing business is substantially higher in the new location. For some time after their displacement, such small business concerns suffer a loss in volume of sales while their operating expenses are greater than they were in the location in the urban renewal area.

The initial \$1,000 payment for each such small business concern would help compensate it for the losses it sustains because of its displacement. The additional \$1,500 payment would go to the small

business that still has not been reestablished 1 year after its displacement from the urban renewal area. This \$1,500 is essentially a severance payment to compensate for the closing of the business as a result of its displacement.

Increased relocation payments to families and elderly individuals

To each displaced low- or moderate-income family or elderly individual (62 or over), this section would authorize monthly payments (for up to 12 months) of an amount which, when added to 20 percent of his income, would equal the average rent being charged in the community for a decent, safe, and sanitary dwelling of modest standards adequate in size to accommodate such displaced family or individual. To qualify for these monthly payments, the displaced families and elderly individuals would have to have incomes well within the income limits established for eligibility to occupy rental housing financed under the special FHA below-market interest rate program of mortgage insurance for housing for moderate-income families (sec. 221(d)(3)).

The amount of the monthly payment such displaced families and elderly individuals could receive would be computed by determining the average annual rental required for a decent, safe, and sanitary dwelling of modest standards—deducting from this amount 20 percent of the annual income of the displaced family or individual—and dividing by 12. For example, if the average annual rental for a decent, safe, and sanitary dwelling adequate in size to accommodate the displaced individual or family is \$840, and the income of the displaced individual or family is \$3,000 per year, the displaced individual or family could receive \$20 a month.

However, the monthly payment could not exceed the estimated proportionate amount, attributable to a dwelling unit of comparable size, in the fixed annual contribution for the most recently constructed low-rent housing project assisted under the U.S. Housing Act of 1937 in the same locality or the nearest locality of comparable size and in which there exists comparable cost levels. In addition, payments under this provision would be made only to such otherwise eligible families and individuals for whom no public housing is available.

In many cases, families and elderly individuals displaced from an urban renewal area and rehoused in decent, safe, and sanitary housing must increase the amount of money they spend for housing to an unduly high proportion of their income. It is a legitimate cost of urban renewal to assist these people to accommodate themselves to their greater housing costs.

Other provisions

Other provisions of this section would (1) authorize the Administrator to establish appropriate rules and regulations to carry out the relocation payment provisions, (2) make clear that displaced families and elderly individuals who receive monthly relocation payments retain any preference or priority they otherwise would have for admission to public housing or special FHA-insured housing for moderate-income families (sec. 221), and (3) authorize relocation grants to be made in connection with a project for which no capital grant contract is necessary.

Section 208 also makes clear that, although a business concern is not located in an urban renewal area, it may be reimbursed, in the manner prescribed in the law, for the moving expenses it incurs in

removing any or all of its outdoor advertising displays from the urban renewal area.

Presently, a business concern whose outdoor advertising displays are displaced cannot be compensated because the business concern itself is not displaced from the urban renewal area. This amendment is designed to permit such concerns to be compensated only for certified moving expenses within the limitations of the law.

URBAN RENEWAL DEMONSTRATION PROGRAM

Section 209 would increase from \$5 to \$10 million the grant limitation for the urban renewal demonstration grant program, carried on under section 314 of the Housing Act of 1954. This section would also make program funds available to pay the full cost of writing and publishing reports on demonstration projects and similar undertakings. "Publishing" would include associated activities such as editing, layout, and typesetting as well as actual printing and distribution. The work could be undertaken by the public body carrying out a project or directly by the Administrator.

This program, which was instituted by the Housing Act of 1954, has performed a useful service with a small outlay of Federal funds (\$5 million in 10 years) by demonstrating various new techniques and procedures in carrying out urban renewal programs in the localities. The projects are locally developed and locally administered with Federal assistance up to two-thirds of the cost, the other one-third being borne by the locality.

One of the difficulties in maximizing the effectiveness of the program has been with reference to the printing and distribution of reports. At present, at least one-third of the cost of activities carried out under the section 314 demonstration program must be paid for by the public body. However, preparing and distributing reports on such activities are primarily of national rather than local benefit. Public bodies have been especially reluctant to expend their funds for any reprinting of program reports, with the result that several which are still in demand are out of print. The proposed authority for the Administrator to make available reports on similar undertakings not financed under section 314 would help him to meet one of the major needs of the urban renewal program—wider dissemination among the local public agencies of information about new techniques and ideas which can help them to improve their programs.

The present \$5 million for the program is completely committed and, unless new funds are authorized, the program will come to a halt. To illustrate the kinds of activities carried out by this program over the last 10 years, a sample of completed projects are listed below.

Completed Urban Renewal Demonstration Projects (July 22, 1964)

Project No. Calif. D-2:

Demonstration.—The economic feasibility of conservation and rehabilitation. The study involves the analysis of market, economic, and other data.

Report.—"Economic Aspects of Urban Renewal: Theory, Policy and Area Analysis," 1960. Available free from the Real Estate Research Program, Bureau of Business and Economic Research, 208 Stephens Memorial Hall, University of California, Berkeley, Calif.

Project No. Calif. D-3:

Demonstration.—A plan for relocating and rehousing both the single, male population and the business and service facilities from a transient or day labor market type of skid row scheduled for urban renewal. Emphasis is given to planning and developing a new area, because the relocation of these men into scattered existing housing was found to be infeasible.

Report.—"Relocation Plan: Slum Area Labor Market, Sacramento," 1959. Available free from the Redevelopment Agency of the City of Sacramento, 1006 4th Street, Sacramento 14, Calif. Out of print.

Project No. Ga. D-1:

Demonstration.—The methods used by a small city in developing and adopting the seven elements of a workable program for community improvement.

Report.—"Looking Over Douglas' Shoulder," 1957. Post Office Box 248, Douglas, Ga. Out of print.

Project No. Ill. D-1:

Demonstration.—The development of methods for satisfactorily relocating and rehousing single persons living in slum and blighted skid-row areas. The project includes an analysis of the housing and social needs and problems of skid-row residents. Recommendations for the elimination of skid-row conditions are also to be developed.

Report.—"The Homeless Man on Skid Row," 1961. Available from the Department of Urban Renewal, 320 North Clark Street, Chicago 10, Ill.

Project No. La. D-1:

Demonstration.—A mechanism developed specifically to end work stoppages in the rehabilitation activities of urban renewal projects. The mechanism, a mediation board, was designed to resolve conflicts arising between contractors, owners, and tenants.

Report.—"Report on the Contractor-Owner-Tenant Mediation Board," 1957. Available free from the New Orleans Division of Housing Improvement, City Hall, Civic Center, New Orleans 11, La.

Project No. Md. D-1:

Demonstration.—A comprehensive description of the recordkeeping techniques involved in municipal program for housing law enforcement activities.

Report.—"A Record Control System for Housing Law Enforcement Activities," 1956. Available free from Rehabilitation Section, Bureau of Building Inspection, Room 10, Municipal Office Building, Holliday and Lexington Streets, Baltimore 2, Md.

Project No. Mass. D-1:

Demonstration.—A commentary and critique of the community organization techniques used in Boston urban renewal areas. This report also discusses problems in obtaining citizen participation and directing it into productive channels.

Report.—"Community Organization for Citizen Participation in Urban Renewal," 1958. Massachusetts Department of Commerce, Commonwealth of Massachusetts, 150 Causeway Street, Boston, Mass. Out of print.

Project No. Mich. D-1:

Demonstration.—A method of measuring the correlations among blight, assessed valuations, and structural age as a basis for estimating the costs of an adequate renewal program in relation to property-tax revenues.

Report.—"Renewal and Revenue, an Evaluation of the Urban Renewal Program in Detroit," 1962. Available from Detroit City Plan Commission, City-County Building, 400 Woodward Avenue, Detroit, Mich.

Project No. Mich. D-2:

Demonstration.—An analysis of the planning principles, methodology, and accomplishments of a neighborhood pilot conservation project. The analysis is placed in perspective by an examination of the community's total urban renewal program.

Report.—"Neighborhood Conservation, A Pilot Study," 1958. Available from Detroit City Plan Commission, City-County Building, 400 Woodward Avenue, Detroit, Mich.

Project No. Mo. D-1:

Demonstration.—A set of standards and a survey technique by which the level of blight and deterioration in commercial and industrial areas may be measured.

Report.—"Measuring Deterioration in Commercial and Industrial Areas, the Development of a Method," 1957. City Plan Commission, Civil Courts Building, St. Louis, Mo. Out of print.

Project No. N.J. D-1:

Demonstration.—The delineation of a 10-year continuing program of the city's total needs, including the development of necessary methods, techniques and criteria for implementing such a program. Methods of annually reviewing and updating the renewal program in order to sustain a permanent 10-year priority schedule for urban renewal are also investigated in this study.

Report.—"Re: New Newark," 1962. Available from the Division of City Planning, Department of Administration, 211 City Hall, Newark, N.J.

Project No. N.Y. D-1:

Demonstration.—The presentation of a modern, model housing code, and a discussion of code adoption, administration, and enforcement.

Report.—"Housing Codes: The Key to Housing Conservation," 1960. Available free from the Bureau of Urban Affairs, New York State Division of Housing and Community Renewal, 393 Seventh Avenue, New York 1, N.Y. This report is a revised and updated version of a report with the same name published in 1958.

Project No. N.Y. D-2:

Demonstration.—Methods and techniques for the renewal of high density neighborhoods through conservation and rehabilitation, including detailed plans and cost estimates for renewing typical structures.

Report.—"Urban Renewal," 1958. Available from the New York City Planning Commission, 2 Lafayette Street, New York, N.Y.

Project No. N.Y. D-3:

Demonstration.—The establishment of a feasible program of combating blight through conservation and rehabilitation. The activities include an analysis of the demographic, economic, and physical characteristics of a neighborhood.

Report.—"Prospects for Rehabilitation," 1960. Available free from the Temporary State Housing Rent Commission, 280 Broadway, New York, N.Y.

Project No. N.Y. D-4:

Demonstration.—The development of techniques for assessing and planning for the industrial component of an urban renewal program in a moderate size city (Utica, N.Y.) and its metropolitan area.

Report.—"Industrial Renewal: Determining the Potential and Accelerating the Economy of the Utica Urban Area," 1963. Available from the New York State Division of Housing and Community Renewal, 393 Seventh Avenue, New York, N.Y.

Project No. Pa. D-1:

Demonstration.—The determination of levels of residential conservation and rehabilitation that can be obtained on a voluntary basis. Emphasis is placed on developing effective methods of organizing citizen action and determining the degree to which local government participation is required.

Report.—"Partnership for Renewal: A Working Program," 1961. Available free from the Office of Development Coordinator, 210 City Hall, Philadelphia, Pa.

Project No. Pa. D-4:

Demonstration.—The application of fiscal management techniques developed by banking institutions to the task of integrating urban renewal with customary municipal operations and capital improvement programs, thus putting urban renewal on a sound fiscal base and encouraging private investment in the development of a city (Wilkes-Barre, Pa.).

Report.—"A Bank Looks At Community Development," 1964. Available from the Bureau of Community Development, Department of Commerce, 402 South Office Building, Harrisburg, Pa.

Project No. R.I. D-1:

Demonstration.—A plan for the preservation, restoration, and renewal of a city's historic area, presenting a feasible method for blending the new with the old.

Report.—"College Hill: A Demonstration Study of Historic Area Renewal," 1959. City Plan Commission, Suite 103, City Hall, Providence 3, R.I. Out of print.

Project No. R.I. D-2:

Demonstration.—The developing and testing of methods by which civic and business groups can participate actively in the planning process and in the development of a downtown renewal program.

Report.—"Downtown Providence 1970," 1961. Available free from the City Plan Commission, Suite 103, City Hall, Providence, R.I.

Project No. Tenn. D-1:

Demonstration.—The methods used by a small community (Dyersburg, Tenn.) to enlist citizen support and participation in launching an urban renewal program.

Report.—"Citizen Participation in Urban Renewal," 1957. Available free from the Tennessee State Planning Commission, C2-208 Central Service Building, Nashville, Tenn.

URBAN AND REGIONAL PLANNING GRANTS

Section 210 would make various amendments to the program of urban planning grants carried on under the Housing Act of 1954 as follows:

Subsection (a). Planning grants to groups of adjacent communities

This subsection would permit a grant to be made for planning assistance to any group of adjacent communities of less than 50,000 total population and having common or related urban planning problems, whether or not "resulting from rapid urbanization," as now specified in the statute. Experience has shown that there are groups of communities with declining, stable, or only normally increasing population which are in need of comprehensive planning assistance. There is no such rapid urbanization requirement in the case of grants for planning assistance to municipalities and counties of less than 50,000 population.

Subsection (b). Grants for local planning by metropolitan and regional planning bodies

This subsection would permit metropolitan and regional planning agencies to receive grants for the provision of planning assistance to certain small communities and Indian reservations when the State planning agency or Governor assents. Generally, these areas may now only receive planning assistance through a State planning agency, acting directly or through a contract with a metropolitan or regional planning agency. The availability of direct planning assistance from the metropolitan or regional planning agency would permit closer coordination between planning for such smaller areas and overall metropolitan or regional planning.

Subsection (c). Planning grants in section 5(b) redevelopment areas

This subsection would permit planning assistance, without regard to the otherwise applicable 50,000 population limitation, to all municipalities and counties in redevelopment areas designated under section 5 of the Area Redevelopment Act, rather than just those in areas designated under section 5(a). Since both section 5(a) and section 5(b) areas are economically depressed areas and would benefit from comprehensive planning, there appears to be no basis for not providing them equal treatment.

Subsection (d). Three-fourths grants for planning within redevelopment areas

This subsection would permit three-fourths grants to be made for planning being carried out for a municipality, county, group of adjacent communities, or Indian reservation located in any redevelopment area. At present the higher grant is authorized only for planning being carried out for municipalities and counties in redevelopment areas designated under section 5(a) of the Area Redevelopment Act.

ELIGIBILITY OF COUNTIES FOR PLANNING ASSISTANCE

Section 211 would make all counties, regardless of population, eligible for comprehensive urban planning assistance under section 701 of the Housing Act of 1954. At present only counties with a population of less than 50,000 or those larger counties located in redevelopment or disaster areas are eligible for such assistance. Many other counties, especially suburban counties adjoining our major cities, have urgent unmet urban planning needs. Under this section, such counties would be eligible for grants covering up to two-thirds of the cost of preparing land-use and public facilities plans, capital improvements programs, and other comprehensive planning activities. This assistance would be available through the State planning agency or, in accordance with the provisions of section 210(b) of this act, through a metropolitan or regional planning agency if the State planning agency assents.

No grants would be made under this new authority for counties with a population of 50,000 or more which are located in metropolitan areas, unless the Administrator finds that the plans and planning of the county will be coordinated with any program of comprehensive planning being carried out for the metropolitan area of which the county is a part. It is the intention of the committee that this requirement be strictly enforced, so that assisted county planning will be supplementary to metropolitan area planning rather than in conflict with it.

In addition, the aggregate amount of grants available for such larger metropolitan counties would be limited to 15 percent of the aggregate amount appropriated, after the date of enactment of this act, for grants under the section 701 program.

PLANNING PROBLEMS RESULTING FROM CHAMIZAL TREATY OF 1963

Section 212 would authorize the Administrator to make comprehensive urban planning grants, under section 701 of the Housing Act of 1954, to El Paso, Tex., to assist it in solving urban planning problems resulting from the Chamizal Treaty of 1963. This treaty between the United States and the Republic of Mexico and the resultant transfer of land between the two countries at El Paso will necessitate the displacement of many families and the relocation of many public facilities. However, because its population is over 50,000, El Paso is not now eligible for Federal planning grants under the section 701 program.

The proposed grants to El Paso would be at the regular two-thirds level and would be subject to the same conditions and requirements applicable to other section 701 grants.

PLANNING GRANTS FOR INDIAN RESERVATIONS

Section 213 would make Indian reservations eligible for planning grants.

Subsection (a) of this section would authorize section 701 grants to be made to State planning agencies for the provision of planning assistance to Indian reservations. Where no State agency is so empowered, it would authorize such grants to a qualified tribal council or other tribal body designated by the Secretary of the Interior. The amendment was developed jointly with the Bureau of Indian Affairs.

Subsection (b) of this section would make conforming changes in section 701(d) by adding "Indian reservations" to the list of areas where comprehensive planning is to be encouraged through section 701 grants; and by adding "Indian tribal bodies" to the list of local public bodies to which the Administrator may provide technical assistance in connection with comprehensive planning.

The amendment proposed above in section 310(d) of this bill would authorize three-quarter grants for planning for Indian reservations, where the reservation is located within a redevelopment area. As of April 1, 1963, there were 52 such reservations.

Although Indian tribes on reservations are in fact units of local government, they do not qualify for assistance under the various types of local political subdivisions which may now receive assistance under section 701, either directly or through State planning bodies. Moreover, it is doubtful whether some State planning agencies are authorized to assist Indian tribes, because of their special Federal status.

PLANNING GRANT AUTHORIZATION

Section 214 of the bill would increase the amount which can be appropriated for grants under the urban planning program (sec. 701 of the Housing Act of 1954) by \$30 million, from \$75 million to \$105 million. The additional funds provided for this program are in keeping with other sections of the bill to provide funds to continue existing housing programs for approximately 15 months; that is, until October 1, 1965.

The committee believes that the planning grant program has been most helpful in assisting States and local governments in solving planning problems resulting from the increasing concentration of population in metropolitan and other urban areas, including small communities; in facilitating comprehensive planning for urban development, including coordinated transportation systems, on a continuing basis by such governments, and in encouraging such governments to establish and improve planning staffs.

The committee feels that the appropriation authority provided by this section of the bill will permit the urban planning program to continue at the same rate under which it has progressed during the last several months.

ELIGIBILITY OF CERTAIN LOCAL GRANTS-IN-AID

Section 215 would require that certain expenditures (up to \$82,980) for acquisition of land on June 25 and July 28, 1956, by the St. Francis Hospital be counted as local grants-in-aid in connection with the Peoria "Medical Center" urban renewal project (Illinois R-61). Under section 112 of the urban renewal law expenditures by a hospital for property to be redeveloped for hospital uses within or near an urban renewal project of special benefit to the hospital may be counted as a local grant-in-aid toward such project, but only if made not more than 7 years prior to the Administrator's approval of the loan and grant contract for the project. The expenditures by St. Francis Hospital were made about 7 years and 3 months and 7 years and 2 months, respectively, before approval of the medical center contract by the Administrator on September 30, 1963, and consequently are not eligible under this provision. However, this project was planned with the intent of benefiting from these two land purchases, in connection with its express purpose of providing a medical center for the city of Peoria, and the loan and grant application for the project was submitted prior to the expiration of the 7-year period. The committee believes that no legislative purpose would be served by denying this project the grant-in-aid credit represented by the land purchases.

NONRESIDENTIAL PROJECTS IN THE DISTRICT OF COLUMBIA

Section 216 would extend the benefits of urban renewal to the District of Columbia by amending section 20(i) of the District of Columbia Redevelopment Act of 1945 so as to resolve any doubt that the District of Columbia may seek and receive the benefits of the national law.

This section is a clarification of the action taken by Congress in the Housing Act of 1954. Section 316 of that Act amended the District of Columbia Redevelopment Act of 1945 with the obvious intention of making urban renewal available in the District of Columbia. (See p. 80 of the conference report to accompany H.R. 7839, Rept No. 2271, House of Representatives, 83d Cong., 2d sess.)

The language used in 1954 defining urban renewal projects authorized in the District of Columbia was "as such projects are defined in title I of the Housing Act of 1949." The present amendment would repeat the reference to the Housing Act of 1949 and add the language "including but not limited to projects authorized without regard to the residential or nonresidential character or reuse of the urban renewal area."

The committee believes the District of Columbia should have authority to carry out any urban renewal project for which Federal assistance is available. This includes projects in areas that are not composed predominantly of housing, or areas that will be redeveloped for uses other than housing. This provision simply brings the District of Columbia urban renewal law in line with corresponding provisions in the urban renewal laws enacted in other States.

TITLE III—HOUSING FOR LOW-INCOME FAMILIES

ELIGIBILITY OF DISPLACED INDIVIDUALS

Section 301 would make single low-income person displacees eligible for admission to low-rent housing regardless of age or disability status. It also includes several purely technical changes which would add to the United States Housing Act of 1937 a definition of displaced families consistent with present statutory references and correct a reference to a now repealed provision of the Social Security Act.

Those displaced by urban renewal and other governmental programs often include individuals who, because they are neither elderly nor disabled, are presently ineligible for public housing. The amendment would permit local housing authorities to offer accommodations to these single persons where they are otherwise eligible for admission. It would thus facilitate the solution of particular displacement problems in a number of communities and assist in carrying out the provisions of sections 204 and 305 of the bill requiring that suitable accommodations be available or made available to individuals, as well as families, when they are displaced from urban renewal and low-rent housing sites.

In considering the matter of public housing for displaced individuals, the committee agreed that single person displacees should be eligible for public housing but would be opposed to admission policies which gave single displaced persons a general priority over families. The committee felt that, as a matter of public policy, the family unit should be encouraged and that public housing admission policy should be directed to helping the family over the individual. It also recognized the higher moral obligation to provide decent housing for those displaced through the exercise of government power of eminent domain than to other persons living in substandard housing and, therefore, would leave to administrative decision, based on need, the priority of admission between displaced individuals and families from non-renewal areas.

ADDITIONAL SUBSIDY FOR URBAN RENEWAL AND LOW-RENT HOUSING
DISPLACEES

Section 302 would enhance the capacity of local housing authorities to respond to displacement problems by admitting greater numbers of very low-income displacees than is now possible. For this purpose it would authorize a special subsidy, similar to the present special subsidy for the elderly, of up to \$120 per dwelling per year where a dwelling unit is occupied by an eligible displaced family.

Displaced families for purposes of this amendment would include those displaced after January 27, 1964, by an urban renewal or low-rent housing project. Since such a family would have to occupy the status of a displaced family at the time of admission, it would also be necessary that its displacement occur within a reasonable period (such as 3 years) prior to the time it is admitted. Where a dwelling unit is occupied by a displaced elderly family, no payment would be made with respect to that unit under the amendment and the only payment, if any, that could be made would be under the existing special subsidy for the elderly.

The new payment would be made, generally, on the same terms and conditions as now govern the additional payment for the elderly. It would, accordingly, be paid only as necessary to permit the local authority to lease the unit to the displaced family at a rental it could afford and to operate the project on a solvent basis. Because there are substantial variations among the incomes of displaced families admitted to public housing, and because it is only those with exceptionally low incomes who pose a special problem, it would also be required that the unit be leased at a rental which is below that (as determined on the basis of average or estimated average project rentals) which would have been established had the unit been leased to another family which was neither elderly nor similarly displaced.

The new payment would be made, generally, on the same terms and conditions as now govern the additional payment for the elderly. No payment would be made, therefore, in the absence of a contract deficit, and the amount of the payment would be limited by the amount of that deficit (or, if lesser, by the deficit attributable to displacees) as well as by the statutory \$120 per unit ceiling on the amount that can be paid each year. The principal distinction between the two payments arises from the fact that, while many displacees have very low incomes, displacees eligible for low-rent housing also include a proportionately greater number of relatively high income families than is true in the case of the elderly. To the extent that these higher income displaced families and individuals are capable of paying rent comparable to other nonelderly families, they do not present the kind of problem with which this section is designed to deal. Accordingly, it is specifically provided that, in addition to limitations presently applicable to the additional payment for the elderly, the payment for displacees shall not exceed the difference between the average rent paid by such families and the average rent that would have been established had these same units been occupied by families which were neither elderly nor similarly displaced. For example, if the average rent for 40 units occupied by displacees were only \$5 below the average rent for other nonelderly families, the amount of the payment that could be made with respect to units occupied by displacees could not exceed, for any year, \$60 a unit (\$5 times 12), or a total of \$2,400, regardless of the amount of the deficit or the \$120 per unit statutory ceiling.

CERTIFICATION OF EQUIVALENT ELIMINATION

Section 303 would permit acceptance of certifications by local governing bodies that they have complied with the equivalent elimination requirements of the U.S. Housing Act of 1937.

Under the act, where a low-rent housing project is undertaken in a locality, the local governing body must enter into an agreement providing for the elimination, within 5 years, of a number of substandard dwelling units equivalent to the new low-rent housing units included in the project. Extensions of the 5-year period for elimination can be granted where there is an acute shortage of decent low-income housing in the community. Administration of this provision now involves direct Federal supervision over the carrying out of the equivalent elimination agreement, even though the act provides no specific penalties for noncompliance.

INCREASE IN AUTHORIZATION FOR ANNUAL CONTRIBUTIONS

Section 304 would increase the limit on contracts for annual contributions by \$36 million. This amount would be adequate to contract for about 45,000 additional units according to estimates prepared by the Housing Agency. This number of units will permit the Agency to continue for the next 15 months, contracting for new units at about the same rate as in the last few years.

The authorization for 100,000 additional units of low-rent public housing contained in the Housing Act of 1961 has now been exhausted. There remain, however, about 7½ million families in the United States who had incomes of less than \$2,500 in 1962, and of these a disproportionate number now live in substandard housing. There are more than 6 million other families, also often inadequately housed, with incomes of between \$2,500 and \$4,000. Included among these low-income families are many of the elderly and disabled, minority group families, families who have been displaced from their homes through governmental action or who face the prospect of such displacement in the near future, and many larger families.

The Agency reported to the committee that it had a backlog of about 43,000 units either in application stage, or for which program reservations or preliminary loans have been made but for which no contract authority exists.

RELOCATION OF FAMILIES AND INDIVIDUALS DISPLACED FROM PROJECT SITES

Section 305 would establish for the low-rent housing program the same basic requirements for relocating displaced families and individuals as those which are applicable under the urban renewal program.

Title I of the Housing Act of 1949 has, from the beginning, required that there be a feasible method for the relocation of families displaced from urban renewal areas and that there must be enough decent, safe, and sanitary housing in existence or being provided to meet the needs of displaced families. Under section 305 of the Housing and Community Development Act of 1964 this requirement, now limited to the relocation of families, would be extended to include displaced individuals as well.

The United States Housing Act of 1937 contains no similar requirement for relocating families and individuals displaced from the sites used for low-rent housing projects. While the problems of relocation under the public housing program are not comparable in all respects to those often confronted in connection with urban renewal projects, the basic principle is the same in both cases. The amendment would, accordingly, require, as a condition for any contract for annual contributions or loans (other than preliminary loans) in assistance of a low-rent housing project, that the local housing authority demonstrate that there is a feasible method for relocating displaced families and that there are or are being provided, in the project or other areas not generally less desirable, an adequate number of decent, safe, and sanitary housing units to meet the needs of these displacees. This requirement would be applicable to projects where an application for preliminary loan had not received local approval prior to the effective date of the Housing Act of 1964.

RELOCATION PAYMENTS

Section 306 would amend the U.S. Housing Act of 1937 to provide for relocation payments to families, individuals, businesses, and non-profit organizations displaced from low-rent housing project sites. These payments would be made on the same basis, and subject to the same limitations, as payments authorized under title I of the Housing Act of 1949 to families, individuals, business concerns, and organizations displaced from urban renewal areas. They would include the new kinds of relocation payments that would be authorized under section 208 of this bill for business concerns displaced from urban renewal areas, as well as the new payments that would be authorized under that section to assist displaced families and elderly individuals in securing suitable housing.

Relocation payments would be permitted only where they were not otherwise authorized under Federal law, thus precluding any possibility of payments duplicating those already authorized for urban renewal displacees. The cost of these payments could be included with development costs for purposes of computing the amount of annual contributions for any project having a displacement impact. However, this cost would be separately stated as a relocation cost and, following the basic pattern established for urban renewal relocation payments, would be excluded from the annual contributions computation for purposes of determining whether the statutory requirement for a local contribution through tax exemption equal to 20 percent of the Federal contribution has been met.

The U.S. Housing Act of 1937 now contains no provision for relocation payments to those who may be displaced from low-rent housing project sites, even though others similarly situated may receive such payments if they are displaced from an urban renewal site. The amendment would eliminate this disparity in treatment among those who may be displaced under the urban renewal and low-rent housing programs.

LOW-INCOME HOUSING DEMONSTRATION PROGRAM AUTHORIZATION

Section 307 would increase from \$5 to \$10 million the amount authorized for grants by the Housing and Home Finance Administrator to assist in developing and demonstrating new and improved means of providing housing for low-income persons and families. The grants are made to public or private bodies or agencies under the demonstration program authorized by the Housing Act of 1961. Under this program various aspects of the provision of both new and existing housing can be developed and put into trial use. This includes design, construction methods, land planning, form of tenure, and financing methods. The authorization under the existing program has been exhausted.

There are many new innovations, particularly in the construction area, that are worth testing under the present program. These include the use of prefabricated components, lightweight structural panels, and mass rehabilitation techniques. In addition, it is proposed to test new types of dwellings designed for the handicapped.

A list of projects financed under this section follows:

Low-income housing demonstration projects

No low-income housing demonstration projects have been completed as of July 22, 1964. Following is a list of projects that are expected to be completed in calendar years 1964 or 1965:

Indianapolis, Ind.: October 1, 1964, expected completion date. The use of team-based self-help participation by low-income families, under supervision, in the rehabilitation of the dwellings they occupy. The low-income owners of 100 houses will be organized in work crews to rehabilitate their dwellings. Each participant team member will apply his highest level of skill, such as semiskilled carpentry or brick masonry, throughout his contribution, in exchange for skilled teamwork on his home. However, plumbing and electricity will be obtained by contract. Building materials supplied without charge against the grant.

Detroit, Mich.: October 1, 1964, expected completion date. An evaluation of the Kundig Center program of low-cost, semiprotective housing currently provided in Metropolitan Detroit for elderly persons of low income, in order to assess applicability of the program in other localities. Kundig Center leases 97 rooms in almost as many private standard homes, located within walking distance of the center, and subleases them to elderly persons at \$30 per month, without profit. The sublessees obtain inexpensive but planned meals, recreational, medical, and other services for the elderly at the center.

New York, N.Y.: March 9, 1965, expected completion date. Purchase, rehabilitation, and limited conversion of structurally sound, three-story buildings, with ground floor commercial space, to provide apartments for subsidized rental to larger families by a local housing authority. Forty-four dwelling units, 22 with five or six bedrooms for families of 10 or more persons and 22 units with one bedroom, will be created by acquisition, conversion, and rehabilitation of 22 existing three-story structures.

Washington, D.C.: June 20, 1965, expected completion date. Short-term lease of privately owned, single-family dwellings for publicly subsidized rental to large, low-income families. Fifty large privately owned dwellings will be leased by the local housing authority and subleased to eligible tenants. Local real estate boards will assist in finding suitable apartments.

Washington, D.C.: July 29, 1965, expected completion date. The provision of specialized advice and services to developers of, and investors in, private low-income housing, in connection with land, financing, market analysis, construction cost, and other technical problems. The private nonprofit corporation will provide the services to persons and organizations in the District of Columbia and surroundings who want to build for low-income families and agree to meet its standards.

Boston, Mass.: July 5, 1965, expected completion date. Development and test of methods for providing lower income families access to older, but sound existing dwellings for sale and rent over broader portions of the metropolitan area and nearer place of employment of the family head. One hundred larger families, nonwhite families and others, that are socially handicapped will be carefully selected, counseled on tenant and ownership responsibilities, provided brokerage services at no cost, and advised as to sources for legal, financing, and other services for prompt closing of the transactions with mini-

mum costs to the families. Supply of available dwellings is being assembled by local housing committees in each of more than 40 outer urban and suburban communities in cooperation with the owners.

Philadelphia, Pa.: October 23, 1965, expected completion date. Analysis and evaluation of the local housing authority's acquisition and rehabilitation and utilization of existing structures to house low-income families. The authority expects to expand the presently authorized program of 200 units, 40 of which are in operation, into other areas of the city, including renewal areas. Five hundred additional units are expected from the expansion. The authority will use new approaches in creating units for large families from smaller existing units.

Cincinnati, Ohio: December 24, 1965, expected completion date. Improvement of housing for low-income families occupying dwellings in violation of local standards. Routine code enforcement to be supplemented with guidance and services to the families focused on improved use and maintenance of their dwellings in a manner both to bring the dwellings into conformity with standards and to lessen the recurrence of violations, with the services being provided by housing standards advisers. Housing standards advisers will follow up inspections of units found in violation and with low-income occupancy; explain nature of violations and alternatives for corrections necessary; and guide family in attaining compliance, while also counseling on better use and maintenance of the house, its space, and equipment. Demonstration will be carried out in two census tracts of predominantly low-income "nonurbanized" occupancy.

On several occasions in the past the committee has been asked to consider a proposal which would permit low-rent housing occupants to purchase their units. The committee believes the Administrator should encourage a project under the low-rent demonstration program in which the above proposal might be demonstrated or tested.

TITLE IV—COMMUNITY FACILITIES

PUBLIC FACILITY LOANS

Section 401(a) would make clear that instrumentalities of one or more States and instrumentalities of municipalities or other political subdivisions in one or more States are not precluded from receiving assistance under the public facility loans program if otherwise eligible.

Paragraph 1 of subsection (b) would make eligible for a public facility loan any community having a population less than 150,000 and which has been designated as a redevelopment area under section 5 of the Area Redevelopment Act.

At present a public facility loan may be made only to communities having a population of less than 50,000 (150,000 in the case of a community situated in an area designated as a redevelopment area under section 5(a) of the Area Redevelopment Act). Under the present statutory language a public facility loan may not be made to a community with a population more than 50,000 but less than 150,000 even if it is situated in a redevelopment area if that area is designated under section 5(b) rather than 5(a) of the Area Redevelopment Act.

By virtue of being designated under section 5(b) rather than under section 5(a), 17 counties and 1 Indian tribe (each having a population

in excess of 50,000 but under 150,000) are ineligible to receive financial assistance under the public facility loans program which is available to similar areas designated under section 5(a). This is inequitable. This section would, therefore, make all communities with a population of less than 150,000, which are designated as redevelopment areas, eligible for financial assistance under the public facility loans program.

Paragraph (2) of subsection (b) would make financial assistance under the public facility loans program available to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States without regard to the aggregate population of the communities which it is serving, so long as each of these communities is within the existing population limits of the program.

At present, a public agency or instrumentality is not eligible for a public facility loan if the public work or facility it seeks to construct will serve two or more separate communities, each having a population less than the statutory population limit but a combined population in excess of the statutory limit. A public work or facility used by two or more contiguous communities, either in the same or adjoining States, is often more efficient to plan, build, and operate than separate facilities built and operated by each community.

ADVANCE ACQUISITION OF LAND

Section 402 would authorize the Housing and Home Finance Administrator to extend financial assistance to communities to finance the acquisition of open or predominantly undeveloped land planned to be utilized in connection with the future construction of public works and facilities. No loan could be made to finance the acquisition of such land unless the public work or facility for which the land is to be utilized is planned to be constructed within a reasonable period of time and construction of the public work or facility will contribute to economy, efficiency, and the comprehensively planned development of the area.

Loans could be provided to purchase the land outright or to acquire some lesser interest, such as an easement, right-of-way, air rights, development rights, or options. The loan could cover the total cost of acquiring the interest in land including necessary expenditures incidental to the acquisition of the interest acquired in the land. The maximum maturity of a loan made under this section would be 15 years and, while the Administrator would be authorized to postpone the payment of principal and interest on a loan, the entire principal and interest would have to be repaid within the maximum 15-year period. The great majority of loans would be for a substantially shorter period than 15 years, and every loan would be required to be repaid no later than the time that construction is begun on the public work or facility for which the land is acquired. Generally, the land for which the loan is made would be needed for a public work or facility already slated to be constructed and provided for in the community's capital improvement program or budget covering the next 5 or 6 years. To receive assistance under this section, a community would have to be engaged in comprehensive planning appropriate to its size and location.

These loans would have to be reasonably secured and bear interest at the rate now prescribed by the statutory formula in the public

facility loans program (currently 4 percent). Any interest deferred would accrue and be compounded semiannually.

The committee expects the Administrator to make effective use of the statutory authority provided by this section to assure that financial assistance provided is not used to purchase land at inflated prices or to purchase land for which the community has no well-defined plans.

ADVANCES FOR PUBLIC WORKS PLANNING

Section 403(a) would require all repayments and other receipts received after June 30, 1964, in connection with advances made under the first or second advance planning programs to be made into the revolving fund established for the third advance program. This subsection would also authorize an additional sum not to exceed \$20 million to be appropriated to the fund as may be necessary to carry out the planning advance program.

Subsection (b) would (1) permit a public agency which constructs only a part of a public work planned with an advance under the first or second as well as the third advance planning programs to repay only that proportionate amount of the advance as the Administrator determines to be equitable, (2) authorize the Administrator to terminate all or a portion of the liability for repayment of any advance made under the first, second, or third advance planning programs upon terms and conditions he deems equitable, and (3) authorize the Administrator to terminate any agreement for an advance under the first, second, or third advance planning programs whenever he determines that there is no reasonable likelihood that the public work planned will be constructed.

Under existing law, repayments and other receipts in connection with the first program of advances for public works planning (authorized by title V of the War Mobilization and Reconversion Act of 1944) or the second advance planning program (authorized by the act of Oct. 13, 1949) are presently made into the revolving fund for liquidating programs established by title II of the Independent Offices Appropriation Act of 1955. Repayments of advances made under the current planning advance program are made into a revolving fund established by the Housing Act of 1954.

At present, if a public agency constructs any part of a public work planned with an advance under the first or second advance planning programs, the entire amount of the advance must be repaid. Under the third advance program, the public agency in such cases is required to repay only such proportionate amount of the advance as the Administrator determines to be equitable. Paragraph (1) of subsection (b) would remove this inconsistency by extending the provisions in the third program authorizing proportionate repayment of the advance to the first and second advance planning programs.

In some cases the community constructs neither the public work planned with the advance nor any specific portion of the public work planned, but some substantially different public work containing identifiable elements of the public work planned with the advance. Existing law seems to require even in these circumstances that the community repay the entire amount of the planning advance. To avoid the confusion and inequity that has resulted because of this requirement, paragraph (2) of subsection (b) would authorize the

Administrator to terminate all or a portion of the liability for repayment of such advances upon such terms and conditions as he deems equitable.

The plans prepared with advances made under the first and second planning advance programs are now largely between 15 and 19 years old. In that period of time there have been great technological changes, tremendous shifts and increases in population, changes in community needs, and other developments, which make it clear that in many cases the public work planned with an advance will never be constructed.

However, the Administrator presently lacks authority to terminate agreements for planning advances even when it is clear that the public work planned will never be constructed. As a result, the Agency is legally required to continue to assume the administrative costs involved in reviewing these outstanding but obsolete plans to ascertain whether construction has or will be undertaken. This is a wasteful requirement.

Paragraph (2) of subsection (b) would, therefore, permit the Administrator to terminate planning advance agreements whenever he determined that there was no reasonable likelihood that the public work, or a portion of the public work, planned with the advance will be constructed. In making this determination the Administrator will consider, among other things, factors such as (1) construction of another public work which makes the public work planned with such an advance no longer necessary or desirable, (2) substantial changes in population, governmental organization, or community needs which make construction of the public work planned with such an advance no longer necessary or desirable, and (3) substantial changes in technology which make construction of the public work planned with such an advance no longer necessary or desirable.

Subsection (c) would make Indian tribes eligible for advances for public works planning authorized by section 702 of the Housing Act of 1954. Eligibility for advances presently is limited to States, municipalities, and other public agencies of States (including regional or metropolitan authorities provided that they have the legal authority to finance and construct the facilities within a reasonable period of time).

Subsection (d) would eliminate the requirement in existing law that an applicant maintain a separate planning account for its own and Federal funds to be used to pay for the assisted planning. This is for the convenience of applicants. It is understood that the change will neither jeopardize the Government's position nor seriously alter accounting procedures.

TITLE V—MORTGAGE INSURANCE PROCEDURAL AMENDMENTS

TIME LIMIT ON FHA RECOUPMENT OF TITLE I INSURANCE PAYMENTS

Section 501 of the bill would place claims by lenders for insurance payments (on FHA-insured title I property improvement loans) certified for payment prior to December 31, 1957, on the same basis as is now provided for those certified for payment subsequent to that date. Under existing law, a 2-year limit on FHA requiring a lender to repurchase any of the loans on which insurance has been paid is applicable to claims certified for payment subsequent to December

31, 1957, except in the case of fraud or misrepresentation on the part of the lender.

Under the amendment the Federal Housing Commissioner could not require a title I lender to repurchase any title I loan (because of lack of eligibility for insurance) if a period of 2 years has elapsed since the date the lender's claim for loss was paid by the Commissioner, and there is no fraud or misrepresentation on the part of the lender. This provision is already available for insurance claims which were certified for payment after December 31, 1957, but it is not available for the claims certified prior to that date. With respect to the latter loans the possibility of repurchase requires that lenders, in effect, create a contingent reserve, until the lending institution is assured that its payment of claim is final. Two years has proved to be a reasonable period within which FHA may investigate a claim to assure its eligibility and after that period has passed the lender should be entitled to consider the payment of its claim final and incontestable unless it can be established that the lender had been guilty of fraud or misrepresentation.

OPTIONAL CASH PAYMENT OF INSURANCE BENEFITS

Section 502 of the bill adds a new section 518 to the National Housing Act which would authorize the Federal Housing Commissioner, in his discretion, to pay insurance benefits in cash on any insurance claim (filed by a mortgagee on or after the date of enactment of this bill) although the Commissioner has no obligation to pay in cash under the insurance contract. At present, the FHA does not have this general authority, but periodically calls debentures to the extent deemed appropriate.

A cash payment under this new authority would be in an amount equivalent to the face amount of the debentures that would have been issued, plus an amount equivalent to the interest which the debentures would have earned, computed to a date established by the Commissioner. In a case where a mortgagee, under his mortgage insurance contract, is entitled to receive debentures, the mortgagee would receive the insurance payment in debentures rather than in cash if the mortgagee does not want to accept a cash payment. Mortgagees filing insurance claims on mortgages insured under the section 220, 221, or 233 programs (urban renewal housing, low- or moderate-income housing, and experimental housing) subsequent to the Housing Act of 1961 now have in their insurance contracts the right to a cash insurance settlement. For this reason, the Commissioner in these cases would not have an option of refusing to honor the request for cash payment.

Under present law the authority of the Commissioner to settle insurance claims in cash in lieu of debentures is limited to the section 220, 221, and 233 programs. Under all the other FHA programs the Commissioner is required to settle insurance claims by issuing debentures. In the three programs, he has the option of prescribing by regulation whether the insurance claim is to be settled in cash, in debentures, or in either form of settlement at the option of the mortgagee. The regulations in existence at the time the mortgage or loan is insured govern the rights of the mortgagee with respect to receiving cash or debentures in the insurance settlement; and, once the mortgage has been insured, the Commissioner has no way in which he

can legally refuse to settle claims on the basis of the governing regulations. The present regulations governing the section 220, 221, and 233 programs prescribe the payment of insurance benefits in cash unless the mortgagee specifically requests payment in debentures.

The committee has been advised that on several occasions in the recent past the Commissioner, because of existing law, had to issue debentures to pay insurance claims, even though the FHA had readily available cash which could have been used to pay such claims. The committee was further advised that on several occasions newly issued debentures were redeemed within a very short period after having been issued, and that for economy in the administration of the FHA, it would have been far better had the Commissioner been permitted to pay the claims in cash in the first place rather than being required by law to issue debentures and immediately redeem them. This amendment will, therefore, eliminate the unnecessary expense of issuing debentures and redeeming them shortly thereafter when the Commissioner has cash readily available to pay insurance claims. This amendment follows one of the suggestions of the General Accounting Office to reduce cost in Government operations. The GAO believes that this amendment will result in a substantial saving in the operation of the FHA as well as provide for a saving in certain operations in the Treasury Department.¹

The committee believes that the optional cash payment is a worthwhile amendment and has so included this authority in the bill. At the same time the committee believes that this amendment will place the Commissioner under great pressure to pay all claims in cash, and the committee wishes to make it clear that in exercising his discretionary authority under this amendment the Commissioner shall be very cautious not to place the insurance reserve funds in jeopardy, nor shall he dispose of Commissioner owned or held properties prematurely or at disadvantageous prices in order to pay insurance claims in cash.

LOW-COST HOUSING IN OUTLYING AREAS

Section 503 of the bill would increase the dollar limit on the amount of mortgage which can be insured under the section 203(i) program for low-cost housing in outlying areas from \$9,000 to \$11,000.

The special FHA insurance program under section 203(i) is designed to encourage low-cost housing outside of built-up urban areas. Adequate standards are required under the program, but the minimum property requirements are not as rigid as those under the regular section 203 program.

The section 203(i) program has been very beneficial toward helping to meet housing needs in outlying areas. The committee was advised, however, that there has been a sharp reduction of activity under this program during the last few years because the \$9,000 mortgage limit in existing law is not realistic from the standpoint of increases in material and construction costs. It is understood that the program would be made more effective by the modest increase in the loan ceiling. It is hoped that the increase contained in this section of the bill will encourage the construction of needed housing in rural and outlying areas.

¹ It is the Treasury Department which bears the costly expenses of engraving, issuing, registering, and depositing of the FHA debentures.

CHANGES IN FHA INSURANCE BENEFITS AND SIMPLIFICATION
OF PAYMENT PROCEDURES

Section 504 of the bill contains several technical amendments relating to the payment of claims to mortgage lenders by the FHA. These amendments are designed (1) to permit additional items to be included in the benefits paid by FHA, (2) to simplify and make more expeditious the methods and procedures of payment of insurance claims on home mortgages and (3) to reduce administrative expenses of FHA. Some of these amendments would, in addition, supplement other provisions in the bill which would encourage lenders to extend forbearance to home mortgagors in default on their mortgage payments due to no fault of their own.

The technical amendments contained in section 504 are described below:

Home mortgages

The amendments would give the Federal Housing Commissioner discretionary authority to include additional benefits in insurance payments on home mortgages:

1. Amounts advanced by the mortgagee for mortgage insurance premiums prior to the institution of foreclosure for which reimbursement has not been obtained from the mortgagor could be included in the insurance payment. Under present law, debentures issued by FHA as insurance payments can include only insurance premiums paid by the lenders after the institution of foreclosure. This existing provision has the effect of making lenders reluctant to grant forbearance to home mortgagors in default because they will receive no reimbursement for premium payments up until the time of foreclosure if foreclosure becomes necessary.

2. The insurance payment could include reimbursement to a mortgagee for advances on payments for the maintenance and operation of community-owned property, or the maintenance and repair of the mortgaged property, where the obligation arises out of a recorded covenant which was approved by the Commissioner prior to insurance of the mortgage.

There is growing interest in the construction of "cluster type" developments with commonly owned land or facilities usually under the control of a property owners' association. To preserve the property which is security for the mortgage it may be desirable or necessary for a lender to pay charges which the mortgagor was obligated to pay in connection with the community-owned land or facilities or the mortgaged property. Even if the required payment is made a lien on the mortgaged property, the soundness of this type of development may be threatened by the failure of a homeowner whose mortgage is in default to meet his obligations with respect to the property.

Under existing law, when an insurance claim is filed the FHA has no way of reimbursing a mortgagee who has had to make payments of these monthly charges to the property owners' association even though payment was made to protect the property which secured the mortgage. The amendment would permit FHA to include these payments in the insurance payments.

3. Where the insurance settlement is made in cash it could include an allowance to mortgagees equivalent to the debenture interest that would have accrued up to the time of settlement if payment had been

made in debentures. The amendment would put cash payments of insurance benefits on a par with insurance payments made in debentures. Cash settlement can be made under section 220 urban renewal housing program, the section 221 program of housing for low- and moderate-income families, and the section 233 experimental housing program. Under other programs the bulk of the insurance payment is in the form of debentures. Under existing law, mortgagees receive interest on the debentures from the time of foreclosure, but where the claim is paid in cash, no allowance can be made for interest from the time of foreclosure or conveyance of property to FHA to the time of the settlement.

Elimination of certificates of claim

Under the usual FHA insurance contract for home mortgages, insurance benefits are payable in "debentures" which cover prescribed items of the mortgagee's losses. In addition, the mortgagee receives a "certificate of claim" which entitles him to additional payments for his remaining losses if sufficient amounts are eventually realized by FHA from the property acquired. These certificates of claim often prove to be worthless to the mortgagee and require substantial recordkeeping and expenditures by the FHA.

To simplify and expedite payment of home mortgage insurance claims, this section of the bill would eliminate certificates of claim in future contracts and would provide instead for certain compensating increases in the amount of the debentures. The issuance of a certificate of claim would also be discontinued with respect to existing home mortgage insurance unless the mortgagee specifically requests the certificate.

The section would permit increased allowances for foreclosure costs to be included in the debentures to the extent the Commissioner prescribes. However, no increase is contemplated at the present time in the allowances for foreclosure costs. Now, this allowance is two-third of foreclosure costs, or \$75, whichever is the greater.

In addition, authority would be granted to the Commissioner to date debentures as of the date of default or such later date as the Commissioner, in his discretion, may establish. This means that the Commissioner could authorize interest on debentures to start running at an earlier date than authorized under existing law.

If any proceeds from disposition of the property by the FHA remain after payment of the certificate of claim held by the mortgagee, the remaining proceeds are paid to the mortgagor of the property. Under this section, the provision for paying such excess proceeds to the mortgagor would be eliminated. Very few mortgagors would lose any payments. The low amount of equity that most mortgagors have in their properties eliminates the possibility of any excess proceeds becoming available for payments. Payment of excess proceeds to mortgagors of multifamily properties was discontinued in 1948 with no difficulty, and certain home mortgage programs now have no provision for these payments to mortgagors.

With respect to certificates of claim outstanding at the time of the enactment of the bill, the Commissioner would be given authority to settle the certificates with the consent of the holders without awaiting the final liquidation of the Commissioner's interest in the properties. These settlements would be made on the basis of a payment to the holder of such percentage of the face amount of the certificate of

claim and accrued interest as the Commissioner considers appropriate to accomplish the settlement.

The FHA is now accounting for 52,000 unsettled certificates of claim and this number could increase considerably during the next few years. Over 25,000 properties were conveyed to the Commissioner during fiscal year 1962. The 1963 budget estimates included funds for processing claims on the anticipated conveyance of 27,000 properties to the Commissioner. Actual conveyances will be anywhere from 33,000 to 35,000 during fiscal 1963.

A proposed larger cash payment for adjusting the difference between the debentures issued and the total amount of the claims approved (a maximum of \$350 rather than the present \$50) is included in this section. This would be an advantage both to the FHA and to mortgagees by lessening the complexities which arise in adjusting insurance settlements. Mortgagees frequently make errors in submitting their claims for insurance, and after settlement, request revisions of the settlements to cover additional amounts. Under the present limit of \$50 on a cash payment, it is often necessary to issue additional debentures, reissue the certificate of claim, and make adjustments in the cash payments. The larger limit of \$350 would permit adjustments of the settlements by merely adjusting the amounts paid in cash.

Multifamily mortgages

The obligation of mortgagees to pay mortgage insurance premiums on multifamily housing mortgages in default would be terminated upon receipt by FHA of the application for insurance benefits. Under the present law this obligation does not terminate until the property is conveyed to FHA or the mortgage is assigned to FHA.

This section would avoid unnecessary complications, and additional expenses to the Government. Under the present procedures, mortgagees of multifamily housing projects press FHA for settlement of the insurance before the mortgage insurance premium becomes due in order to avoid its payment. In any case, it is extremely difficult, if not impossible, for FHA within the time available to handle the processing of the claim before a mortgage insurance premium comes due.

ELIMINATION OF MANDATORY ACQUISITION OR FORECLOSURE WITHIN 1 YEAR OF MULTIFAMILY PROJECT IN DEFAULT

Section 505 of the bill would eliminate the requirement in existing law that FHA acquire title to the project or commence foreclosure of an assigned mortgage within 1 year from the date of default in a mortgage insured by the FHA covering a multifamily housing project.

Elimination of this requirement would make it possible, in some instances, to work out arrangements with mortgagors under which a defaulted mortgage could eventually be reinstated. The deletion of the 1-year requirement would give FHA latitude to consider each case on its own merits and to take such action as is required in each case.

For example, situations arise where the economic conditions of a locality decline and as a result of the decline vacancies occur in rental housing. Often the mortgagors of multifamily projects find that they can no longer meet their amortization payments, and the mortgages

go into default. One year from the date of default, the FHA must acquire title to the project, or commence foreclosure action, regardless of the fact that at the end of that year the economic conditions of the area may be improving and within 2 or 3 months hence rental accommodations may be in large demand. Under existing law the Commissioner has no flexibility in situations of this type.

Acquisition of a multifamily housing project by foreclosure is, at best, a drawn-out and costly procedure. The foreclosure process has many weaknesses. Projects are usually operated by court-appointed receivers who cannot be expected to have as much interest in the project as the mortgagor. Once a project is acquired by FHA, contracts are let to managing agents who also do not have the same interest as the mortgagor. The FHA often goes to considerable expense to fix up a project and then sells it at a price less than the outstanding balance of the mortgage. The purchasers are frequently speculators with no long-range interest in developing soundly operated projects. Foreclosure should therefore be avoided whenever possible and where the mortgagor can be expected within a reasonable amount of time to achieve project income that will permit curing the default.

The committee believes that this amendment is in keeping with the new authority which would be vested in the FHA Commissioner by section 101 of the bill, *supra*, which deals with forbearance for home mortgagors.

The committee has been advised that if the 1-year requirement is eliminated, the FHA would not hold foreclosure action or action to acquire title in abeyance indefinitely, but where there is no hope of reinstatement or the project is being mismanaged, foreclosure would be undertaken as soon as possible after a default. In this connection the committee wishes to explain that the primary purpose of the amendment is to give the FHA the discretion to work with a mortgagor, in a promising case only, for a reinstatement of the loan.

ROOM COUNT LIMITS IN FHA MULTIFAMILY PROGRAMS

Section 506 would establish new room count limits for FHA to compute maximum mortgage loans on multifamily projects. Under this new method, the amount of a multifamily housing mortgage would be limited by the number of family units in a project. A dollar limit would be set for each family unit based on whether the unit is an efficiency apartment with no bedroom, a unit with one bedroom or two bedrooms, and so on. Under the bill the limits per dwelling unit under the regular section 207 rental housing program would be \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms. Elevator structures would have corresponding limits of \$10,500, \$15,000, \$18,000, and \$22,500.

The per dwelling unit limits for the section 221 program for low- and moderate-rental housing would be lower, that is, \$8,000, \$11,250, \$13,500, and \$17,000 per family unit for a no-bedroom, one bedroom, two bedroom, and three or more bedrooms, respectively, and \$9,500, \$13,500, \$16,000, and \$20,000 for elevator structures.

The dollar amount limits could be raised by the Federal Housing Commissioner for high-cost areas by not more more than 45 percent.

The committee has heard a great many complaints about the existing FHA mortgage limits based on room count, which apply to multifamily housing projects. It has also been informed that the room count limit prevents good design because architects have used various methods to maximize the room count in order to obtain the highest mortgage amount possible even though the designs are not those best suited for families or to achieve the best results from an architectural or market standpoint.

The other problem causing difficulties is the difference of opinion on what constitutes a room and how to count such things as balconies, alcoves, halls, and the like. The new criteria should remove some of these difficulties.

The committee was informed that the new limits correspond in general to the existing limits.

FHA SECTION 221 HOUSING FOR LOW- OR MODERATE-INCOME PERSONS

Section 507(a) of the bill would make individual elderly persons (defined as any person 62 years of age or over) eligible to purchase or occupy housing for low- and moderate-income families and families displaced by urban renewal or other governmental action which is financed with mortgages insured by the Federal Housing Administration under its program authorized by section 221 of the National Housing Act. This would include moderate rental housing financed with mortgages bearing below-market interest rates under the section 221(d)(3) program. The elderly persons would, of course, have to meet low- or moderate-income requirements applicable under the present law.

Both sales and rental housing are financed under the section 221 program. The program includes the below-market interest rate mortgage insurance program which permits insurance of mortgages financing rental housing and bearing low interest rates currently 3½ percent per annum. Waiver of FHA mortgage insurance premiums is also permitted for these mortgages. The low interest rate and waiver of premiums permit lower monthly rents than would otherwise be possible. FHA establishes local income limits for occupancy of the housing and regulates the rentals charged.

Mortgages bearing market interest rates are also insured under the section 221 program for housing for low- and moderate-income families and displaced families, including both rental and sales housing.

Many elderly persons with low or moderate incomes need the housing provided under the section 221 program, particularly the moderate rental housing provided under the below-market interest rate program. However, the provisions of the present law restrict occupancy of section 221 housing to families excluding individual persons. Under the proposed amendment individual elderly persons would be eligible if they otherwise qualify to live in housing financed under the section 221 program.

The committee is most sympathetic to the housing needs of our elderly people, and by including this amendment, recognizes the very special needs of those elderly individuals displaced by urban renewal activity. At the same time the committee believes that the FHA, when insuring commitments under the rental housing provisions of the section 221 programs, should be cautious so as to avoid an excess of the one-room, efficiency-type rental accommodations being included

in projects insured under the 221 programs. Certainly the committee agrees that individual elderly displacees' housing needs must be fulfilled. The committee is aware, however, that because of present construction cost levels and so on, that rental projects containing a maximum number of units for single persons are oftentimes a more feasible undertaking from the sponsors standpoint, than are projects with a maximum number of the larger units designed to accommodate the needs of families. While the committee hopes that individual elderly displacees' needs can be met, it, at the same time, feels that the Commissioner should continue to encourage and urge 221 rental housing sponsors to include a maximum number of the large units designed to serve family needs.

In addition, section 505 of the bill would extend the termination date of the FHA section 221 programs (those programs providing FHA insurance for both single-family housing and rental units for low- and moderate-income families) from June 30, 1965, to October 1, 1965. This amendment is in keeping with other provisions of the bill to extend existing housing programs and to provide coterminous dates for all housing programs.

Section 507(b) of the bill would permit mortgagors, in addition to those prescribed in existing law, to be eligible for mortgage insurance under section 221(d)(3) if regulated by the Federal Housing Commissioner in accordance with the purpose of that section.

The committee has been gratified with the progress of the FHA below-market section 221(d)(3) rental housing program which was initiated by the Housing Act of 1961 to provide more housing for low- and moderate-income families by utilizing private housing construction and financing methods. At the end of May 1964, 116 mortgages had been insured under this program providing close to 3,000 units of low- and moderate-rental housing. Altogether applications had been received for over 360 projects with close to 51,000 units.

In order to accomplish the lowest possible rents, the program calls for the housing to be owned and operated by limited dividend or nonprofit corporations or associations. It has been called to the committee's attention that many nonprofit organizations do not have the knowledge and experience necessary to plan a rental housing project and to go through all the steps required to obtain the financing and complete the construction. The bill would therefore authorize experienced real estate development and building organizations to be the initial mortgagors under the program so that they can plan, finance, and build the project and then sell it to a nonprofit organization who will be the final mortgagor. Both mortgagors would have to be approved by the Federal Housing Commissioner, and be regulated or supervised by him to the extent required to assure that the housing will serve the purpose of the program. The initial mortgagor would enter into an agreement approved by the Commissioner with the ultimate mortgagor. The agreement would provide, among other things, that the project would be sold to the nonprofit corporation when construction is completed at the cost of the project as certified to the Commissioner under the cost certification requirements of the National Housing Act. The nonprofit organization would agree that it would purchase the housing with a mortgage insured under the section 221(d)(3) program so that it would be assured that the project would continue in the program and that the program would not be used merely as a financing device to construct the project. The

nonprofit organization would be regulated by the Commissioner as to the rents charged, income limits of the tenants, and in the other ways already established for the program.

This provision would also authorize any mortgagor to be approved by the Commissioner if it is regulated by the Commissioner to the extent that it becomes in effect a limited dividend or nonprofit organization that can effectuate the purposes of the program. This would permit a trust, partnership, or an individual to become a mortgagor, in addition to a nonprofit organization, a limited-dividend corporation, and other organizations of that nature now permitted to be mortgagors under the present law.

MORTGAGE INSURANCE FOR SERVICEMEN

Section 508 would make servicemen in the Armed Forces of the United States and the Coast Guard eligible to obtain under the special mortgage insurance program for servicemen, housing that is being provided under the FHA section 221(d)(2) mortgage insurance program for homes for low- or moderate-income families.

Under existing law, housing that meets the requirements of the regular section 203(b) mortgage insurance program for homes, and the section 203(i) program for low-cost homes in suburban and outlying areas can be purchased by servicemen with mortgages insured under the special section 222 mortgage insurance program for servicemen. In order to be eligible for a mortgage insured under section 222, the serviceman must have a certificate from the Secretary of Defense (or Treasury) indicating that the serviceman requires housing and is serving and has served 2 years on active duty in the Armed Forces (or the Coast Guard). Under this program the mortgage insurance premium is paid by the military services (or Treasury in the case of Coast Guard personnel) rather than the serviceman, so long as the home is occupied by the serviceman. The amount of a mortgage cannot exceed \$20,000, except that if the property meets the criteria of 203(i) the amount of the mortgage is limited to \$9,000.

At the present time, housing for low- or moderate-income families is being provided under the section 221(d)(2) program in some localities where there are servicemen. Servicemen cannot under existing law purchase this housing with a section 222 mortgage because it does not meet the criteria of either section 203 or 203(i). The proposed amendment would make the section 221(d)(2) housing available for purchase by a serviceman by adding a provision to section 222 that if the housing meets the criteria of section 221(d)(2) the mortgage can be insured under the section 222 program. The amount of a mortgage on a section 221(d)(2) one-family house could not exceed \$11,000 (\$15,000 in a high-cost area).

PRIVATE FINANCING OF SALES OF FHA-ACQUIRED PROPERTIES

Section 509 of the bill is designed to encourage the private financing of the disposal of FHA-acquired properties by authorizing FHA to insure mortgage loans made by private lenders to the purchasers of the properties without regard to any of the limitations or requirements that would apply in the insurance of mortgages under other circumstances. In addition, in case of default on a loan, the Commissioner could pay insurance benefits to the lender in either cash or debentures

and settle the claim without regard to requirements that would normally apply.

Under existing law, the Commissioner may only disregard requirements with respect to the eligibility of the mortgage, and insurance payments could be made in cash only if the loan were insured under the urban renewal housing program or the section 221 program of housing for low- and moderate-income families. Lenders would be more willing to make loans financing the purchase of FHA-acquired properties if the proposed amendments are enacted. This would eliminate the necessity of FHA itself in some cases taking a mortgage loan for this purpose.

EXPERIMENTAL HOUSING

Section 510 would broaden the scope of the FHA experimental housing mortgage insurance program. Under the present law, mortgages can be insured under the special experimental housing program which meet the requirements of the regular section 203 home mortgage insurance program or the section 207 rental housing program. The amendment would permit mortgages which meet the requirements of any of the other title II mortgage insurance programs of FHA to be insured under the experimental housing program if the housing involves the utilization or testing of new design, materials, construction methods or experimental property standards for neighborhood design. This would include the urban renewal housing and low- and moderate-income housing programs.

The amendments would permit more liberal mortgages, where appropriate, than are presently available for experimental housing. This would help encourage more experimentation in rehabilitation of housing.

Cost reductions in housing construction and rehabilitation are essential to meeting national housing objectives. The committee believes the amendment would help to encourage experimentation for this purpose and the other purposes of the program.

MORTGAGE INSURANCE FOR CONDOMINIUMS

Section 511 of the bill would amend the FHA mortgage insurance program for sale of family units in condominiums by—

- (1) permitting mortgages which finance purchases of family units in the condominiums to have larger amounts and longer terms than under existing law;
- (2) permitting condominiums to consist of more than one structure, such as a bank of row apartments, a group of high-rise apartments, or a number of single-family structures;
- (3) permitting an investor-sponsor cooperative to convert to a condominium; and
- (4) authorizing the insurance of mortgages which would finance the construction or rehabilitation of multifamily projects that would be sold as condominiums.

Mortgage limits for purchase of family units

Under the amendments a mortgage which would finance the purchase of a family unit in a condominium could be in an amount up to \$25,000 and not more than the sum of 97 percent of \$15,000 of the appraised value of the family unit (including common areas and facil-

ities), 90 percent of the value in excess of \$15,000 but not more than \$20,000, and 75 percent of the value above \$20,000. Under present law, the mortgage amount cannot exceed 97 percent of \$13,500 of appraised value, plus 90 percent of the value above \$13,500 but not over \$18,000 plus 70 percent of the value above \$18,000. The new maximum amount would be the same as for home mortgages insured by FHA under its regular section 203 program.

The term of the mortgage under the amendments could not exceed 35 years. Under present law, the term is limited to 30 years.

Multistructure condominiums

Under existing law only family units in a multifamily structure are eligible for mortgage insurance to finance the sale of the units. The amendments would authorize mortgage insurance for the sale of family units in a group of apartments or a number of single-family structures that are being sold as condominiums.

Conversion of investor-sponsor cooperatives to condominiums

An investor-sponsor cooperative would be permitted to convert to a condominium. Under existing law any FHA cooperative is prohibited from becoming a condominium. In some areas there is evidence that some investor-sponsor cooperatives who are experiencing difficulty in marketing their dwelling units as cooperatives could readily sell them under the condominium program.

Mortgage insurance for construction of condominiums

The bill would authorize insurance of mortgages under the condominium program which would finance the construction or rehabilitation of multifamily projects to be sold as condominiums. The mortgagor would be required to certify to FHA that it intends to sell the family units as a condominium, and that it will carry out all reasonable efforts to establish the condominium and to sell the units to purchasers approved by FHA.

Under existing law only a multifamily structure that has been financed with an FHA-insured mortgage under any of the multifamily rental housing programs of FHA (except a cooperative) can be sold as a condominium. Providing specific authority for insurance of a mortgage which would finance the construction or rehabilitation of the condominium, in addition to the sale of the dwelling units, would eliminate confusion and questions with respect to requirements FHA should apply to the mortgagor and to the project. Under present law where the mortgage financing the construction of the project itself is required to be insured under a rental housing program it has been difficult to separate the project from the criteria which govern a rental housing project and the different criteria which should govern a condominium. Authorization of a specific program for the financing of a structure or structures which will become a condominium would eliminate this confusion and difficulty.

The limits on a construction mortgage would be similar to the limits applied to an investor-sponsor cooperative project. The mortgage could not exceed 90 percent of the replacement cost of the project when completed, and \$2,500 per room or \$9,000 per family unit if the number of rooms in the project is less than 4 per family unit. If the project is elevator type, the dollar limitations can be up to \$3,000 per room and \$9,400 per family unit. The Commissioner could increase any of the dollar limitations by not to exceed \$1,250

per room in high-cost areas. The interest on the mortgage could not exceed $5\frac{1}{4}$ percent per annum, and the term of the mortgage could not exceed 40 years. The mortgage would be a blanket mortgage and the family units would be released from the blanket mortgage as they are sold. A project could include such commercial and community facilities as the Commissioner deems adequate to serve the occupants.

The labor standards provisions and the cost certification requirements that are applicable to other multifamily mortgagors under other FHA programs would be applicable to the mortgagors financing condominiums with FHA-insured mortgages under the new provisions.

TITLE VI—PARTICIPATIONS IN FNMA POOL OF MORTGAGES

POOLING OF MORTGAGES FOR SALE

Section 601 would provide a means for FNMA to sell property interests in respect to mortgages or interests therein. It would vest fiduciary powers in the Federal National Mortgage Association in order to facilitate the financing of its own and other mortgages through the sale to private investors of beneficial interests, or "participations," in such mortgages. These powers would be exercised under the "management and liquidating functions" of the corporation.

Under its present charter, FNMA in its secondary market function is empowered to borrow through the issuance of obligations to finance its acquisition of mortgages. No corresponding authority exists to finance its activity in its management and liquidating function and its special assistance function. Funds to purchase mortgages under these programs come directly from the Treasury. The purpose of this section is to permit the substitution of funds of private investors for government funds by pooling the mortgages and using them as security for participations to be issued to the capital market. The authority would extend to the pooling of VA mortgages which have been similarly financed with U.S. Treasury funds. The original borrowings by the FNMA and the VA can then be repaid to the Treasury from the receipts of the sale of the participations.

The committee recommended this proposal as a method of encouraging new sources of private funds to invest in interests in Government-held mortgages and thereby reduce the Federal Treasury financing. It was recognized as a superior proposal than possible under existing law whereby such mortgages would be sold at a loss in order to attract private capital. Also this device would have a less adverse effect on the market than the sale of an equal amount of whole mortgages.

What is now projected under this section is the pooling, pursuant to a trust indenture, of a sufficient amount of FNMA mortgages held for the ultimate account of the Government with a block of VA direct and vendee account loans also held for the account of the Government; FNMA would act as trustee with respect to the pool under the new fiduciary powers. FNMA, as trustee, would then sell to private investors, through its established facilities and contacts in the private money market, participations or beneficial interests projected as being of some \$300 million in value, in the interest and principal payments to be derived from the pooled mortgages. FNMA would, as an additional sales inducement, guarantee the payment of the participations in its ordinary corporate capacity under its management and liquidating functions, and such instruments would be exempt securities within

the meaning of laws administered by the SEC to the same extent as securities issued or guaranteed by the United States or its instrumentalities. The amounts of mortgages in the pool would be such as to assure that outstanding participations do not exceed 80 percent of the aggregate unpaid principal balances of the pooled mortgages.

This section would also amend the FNMA charter act so that instruments issued by FNMA in its fiduciary capacity would be lawful investments and could be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which shall be under the authority and control of the United States or any officer thereof; and would also make conforming amendments to the same act.

Pertinent laws respecting the investment of funds of national and other banks subject to national banking laws, Federal home loan banks, and Federal savings and loan associations would also be amended to give instruments issued by FNMA in its fiduciary capacity the same status as is now enjoyed by FNMA obligations.

This section, in addition, would provide express authority for the Veterans' Administration to join in the financing arrangements contemplated by the bill, and for the disposition of the proceeds received from the sale of participations. It also makes technical provisions as to VA's revolving funds so as to accommodate the participations outstanding.

TITLE VII—RURAL HOUSING

EXTENSION OF RURAL HOUSING PROGRAMS

Section 701 of the bill would amend title V of the Housing Act of 1949 to extend the rural housing programs contained in that title until September 30, 1965. In addition, this section would authorize an additional \$150 million for loans under the title V rural housing direct loan program. The committee believes that programs contained in title V of the Housing Act of 1949 have been very beneficial to the rural citizens of the Nation. The date extension contained in this section, as well as the additional \$150 million loan authorization, are in keeping with other provisions of this bill to extend existing housing programs for a period of approximately 15 months.

Secretary's study of "credit ability" test

Title V of the Housing Act of 1949 provides, among other things, that in order to be eligible for a direct loan, an applicant must show—

* * * that he is unable to secure the credit necessary for such housing and buildings from other sources upon terms and conditions which he could reasonably be expected to fulfill.

In administering this particular provision of title V, the Secretary of Agriculture (through his agent the Administrator of the Farmers Home Administration) has promulgated rules and regulations which, in general, require an applicant to make a showing that he cannot otherwise obtain private financing for his home before he is eligible for a loan under title V.

During the hearings, the committee was told that there are private lenders who are actively competing among themselves for mortgages in many of the small towns and in those communities outside the limits of larger cities. The committee was further told that if a proper mechanism were established to determine the availability of private credit in such cases, more funds of the Farmers Home Administration

would be available for the strictly rural loans to farmers where private credit is not so readily available.

In this connection, the committee believes the Secretary of Agriculture should give very careful consideration and study to the "credit ability" test contained in his rules and regulations, to insure that credit is not available from private sources before he approves a loan under the title V programs. The committee believes that the Secretary's study might include, but not be limited to, the feasibility of using the facilities of the voluntary home mortgage credit program or the feasibility of developing a similar mechanism to obtain information on a statewide or nationwide basis with regard to private lenders that may wish to make the type of loans being made under the provisions of title V. In addition, the Secretary may wish to consult with private lending groups who are active in this area.

Section 701 would also increase the maximum insurable mortgage under the rural rental housing program for the elderly contained in title V of the Housing Act of 1949 from \$100,000 to \$300,000. The rental program for senior citizens in rural areas was added to title V by the Senior Citizens Housing Act of 1962. This program has been beneficial in providing rental accommodations for our rural elderly citizens. The committee is advised, however, that the \$100,000 ceiling contained in existing law sometimes prohibits a sponsor from building a project containing a sufficient number of units to meet the need of elderly citizens in some rural areas. The committee, therefore, believes that the increase in the maximum mortgage provided by this amendment will be further helpful in meeting the housing needs of our rural elderly citizens.

DEFINITION OF DOMESTIC FARM LABOR

Section 702 of the bill would redefine the term "domestic farm labor" in section 514 of title V of the Housing Act of 1949 to make immigrant farm laborers, permanently residing in the United States, eligible to occupy housing, the loans on which are insured under Section 514: Housing and Related Facilities for Domestic Farm Labor. Under existing law, the term "domestic farm labor" means any citizen of the United States who receives a substantial portion (as determined by the Secretary of Agriculture) of their incomes as laborers on farms situated in the United States.

LOW-RENT HOUSING FOR DOMESTIC FARM LABOR

Section 703 would add a new section 516 to title V of the Housing Act of 1949 to authorize grants to States or political subdivisions thereof, or public or private nonprofit organizations, to assist in providing housing and related facilities for domestic farm labor as defined in section 514 of the act. (Sec. 514 provides for the insurance of loans for the provision of housing and related facilities for domestic farm labor). The grant assistance could not exceed two-thirds of the total development cost less any amount the Secretary determined could practicably be obtained from other sources, including an insured loan under section 514 of the act. As required by the Secretary, the applicant would have to agree (a) not to charge rentals exceeding amounts approved by the Secretary, (b) to maintain the housing in

a safe and sanitary condition, and (c) to give domestic farm labor absolute priority for occupancy of the housing.

Laborers and mechanics employed on housing financed under this section would be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. The Secretary of Agriculture could, however, waive these labor standards where laborers or mechanics not otherwise employed on the project voluntarily donate their services without compensation for the purpose of lowering construction costs.

Appropriations would be authorized not to exceed \$10 million for financial assistance under this section through September 30, 1965.

Financial assistance for housing under this provision would help relieve the housing problems of farm laborers, both migratory and nonmigratory. In some areas, the housing problems of seasonal workers are as bad as for migratory workers and deserve equal attention. Farmers cooperatives and other nonprofit organizations may find this provision an extremely helpful tool to provide decent housing at a reasonable outlay of funds (one-third of the cost) for these groups where economic conditions prevent a normal solution.

During hearings held by the subcommittee on October 15, 1963, on S. 981, a bill to amend title V of the Housing Act of 1949 to assist in the provision of housing for domestic farm labor, many witnesses stated that perhaps one of the most neglected groups in this Nation, for safe, decent, and adequate housing is the group of migratory farm laborers. The committee was told that domestic farmworkers are perhaps the most economically deprived group in the Nation's work force. Many of them have little education and are not prepared to adapt to a changing labor market. Their employment at best is subject to many variables, including weather and crop conditions.

Much of the on-job housing of migratory farm labor in the United States is below minimum standards of decency. A great deal of housing used by migratory labor consists of unpainted cabins, roughly 9 by 12 feet, with unfinished interior walls and one or two windows sometimes having neither glass nor screens. The housing may lack electricity and usually has no indoor plumbing.

Because the economic usefulness of migrant workers is generally limited to the short duration of the planting or harvesting season, adequate housing has seldom been available to them and perhaps can be made available, to any substantial extent, only by Federal assistance.

The committee is aware that some improvements in provision for farmworker housing were made by the Housing Act of 1961. This legislation was limited to insured loans to provide domestic farm labor housing. The program has had only limited success, and the witnesses testified that the problem is so serious that further action needs to be taken to solve the difficulties.

The most serious obstacle to the construction of decent housing for domestic farm labor is the seasonal nature of the employment of this group and its inability to support the amortization costs needed to finance economic housing. Furthermore, for migratory workers, because the housing is used for only part of the year, private funds cannot be justifiably expended for good housing for such a group. Long-range solutions to their housing problems are certainly dependent upon the solution to other problems of this traditionally economically

deprived group, among which may be a more equitable pay scale to meet their family needs.

In the meantime, however, their housing problems can be helped with the application of Federal assistance, and the committee believes that the provisions in this section will be helpful in relieving some of the worst conditions.

In order to insure an equitable geographic distribution of assistance under this section, the committee recommends that the Secretary take into consideration the following factors, based on the best information available to him, before approving an application for such assistance:

(1) The relative numbers of migratory farmworkers and other domestic farm laborers who are employed in the State during the year or have a home base in the State;

(2) The relative extent of deficiencies in the housing available for migratory farmworkers and other domestic farm laborers in the State; and

(3) The relative need in the State for additional or improved farm labor housing to enable employers to attract or retain an adequate domestic labor supply.

TITLE VIII—MISCELLANEOUS

FNMA—PURCHASE OF PARTICIPATIONS

Section 801 of the bill would repeal section 304(d) of the FNMA Charter Act. That section now states: "The Association may not purchase participations in its operations under this section." Under existing law such repeal would permit FNMA, under its secondary market operations, to purchase, sell, and deal otherwise in participations in insured and guaranteed mortgages. A participation is a fractional interest in a whole mortgage. Transactions involving participations have become increasingly significant recently in the field of secondary market activity in mortgages. This proposal would enable FNMA to provide a more complete and effective service to the mortgage market.

Under its Government-financed special assistance functions, FNMA is not precluded by existing law from dealing in participations. The committee believes that, by permitting FNMA to make the services of its privately financed secondary market operations also available to such participations, this amendment would further the more complete attainment of the basic purposes of the FNMA Charter Act.

OPEN-SPACE PROGRAM—GRANT AUTHORIZATION

Section 802 of the bill would increase the amount which can be appropriated for grants under the open-space program by \$25 million, from \$50 million to \$75 million. In addition, this section would provide that the amounts appropriated would remain available until expended. The additional funds provided for the open-space program are in keeping with other sections of the bill to provide funds to continue existing housing programs for approximately 15 months; that is, until October 1, 1965.

The committee believes that the open-space program has been beneficial to those communities that have sought assistance to preserve

open-space land in urban areas for economic, conservation, or recreational purposes. The committee feels that the appropriation authority provided by this section of the bill will permit the open-space program to continue at the same rate under which it has progressed during the last several months.

HOUSING FOR THE ELDERLY—LOAN AUTHORIZATION

Section 803 of the bill would increase the amount which may be appropriated for the direct loan elderly housing program (section 202 program of the Housing Act of 1959) by \$75 million, from \$275 million to \$350 million.

The committee believes that the direct loan elderly housing program has been most beneficial in helping to provide safe, decent, and adequate rental accommodations to the Nation's low-income elderly citizens in urban areas. The direct loan program under section 202 of the Housing Act of 1959 is administered by the Community Facilities Administration and is available to religious, charitable, and other types of eleemosynary nonprofit sponsors providing rental housing and related facilities for elderly families and persons.

The additional appropriation authority provided for the direct loan elderly housing program, consistent with other sections of the bill, provides funds to continue the existing program for a period of approximately 15 months, that is until October 1, 1965.

The committee feels that the appropriation authority provided by this section of the bill will permit the direct loan elderly housing program to continue at the same rate it has progressed during the last several months.

COLLEGE HOUSING

Section 804 would amend section 404(b) of the Housing Act of 1950 to permit a college housing loan to be made to an eligible nonprofit corporation without requiring the educational institution to cosign the note for the college housing loan whenever State law prevents the educational institution from acting as cosigner. However, the loan could not be made to the nonprofit corporation without the educational institution cosigning the note unless the educational institution approved the proposed college housing project and the nonprofit corporation.

Existing law requires that the educational institution cosign the note for a college housing loan made to an eligible nonprofit corporation. It has been brought to the attention of the committee that some educational institutions are unable under State law to act as cosigners. As a result, it has been impossible for eligible nonprofit corporations who are acceptable to the educational institution to receive loans under the college housing program to finance the construction of desirable college housing projects at these educational institutions. This section will remedy this situation.

To avoid the possibility of some State laws being changed intentionally to take advantage of this provision, the committee made certain that this new authority related only to those States where the law now in effect prevents the cosigning of college housing loans.

The approval of the cooperative by the college or university is required in order that the Administrator may determine that the cooperative is a well-established, competent, and responsible organi-

zation with continuity of operation. Similarly, the approval of the project by the college or university is required in order for the Administrator to determine that the proposed student housing will supplement and not compete with the long-range plans of the institution.

ACQUISITION OF RENTAL HOUSING PROJECT

Section 805 of the bill would permit the Secretary of Defense to acquire section 608 rental housing projects (FHA insured), including adjacent property constructed primarily to provide commercial facilities for the occupants of such housing, where such housing (1) is situated on or adjacent to a military installation, (2) was completed prior to July 1, 1952, and (3) was considered by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and was considered as military housing by the FHA.

The committee's attention has been called to a situation which does not appear to be equitable and which does not appear to be in the best interest of protecting the Federal Government against the liability which may occur through an insurance claim against the FHA. The facts presented to the committee are as follows:

During the summer of 1948, at the instance of officials of the Air Force, land was acquired by a private group adjacent to an Air Force installation for the construction of some 2,000 rental housing units under section 608 of the National Housing Act. Following certain certifications made by Air Force officials to the Federal Housing Commissioner relative to military family housing needs and use of the proposed rental housing at the Air Force installation, the FHA approved a section 608 project for some 408 units, and the project was constructed. Shortly afterward, in 1949, the Wherry Act¹ was enacted and under this act, and again at the instance of officials of the Air Force, two additional rental housing projects were constructed by the same sponsor at the Air Force installation adjacent to the section 608 project.

All three of these projects—the section 608 and the two Wherry Act projects—were insured by the FHA and have always been considered by that agency as military housing.

After enactment of the Capehart Act² (which act superseded the Wherry Act), the Secretary of Defense was given authority under certain circumstances³ to purchase projects constructed under the Wherry Act. The Secretary of Defense exercised this authority and purchased the two Wherry Act projects, leaving the section 608 project in the hands of the owners.

There were many letters of agreement entered into between Air Force officials, FHA officials, and the owners of the three projects, both before and after construction of the projects, concerning rent controls, priorities of rental, management, and other matters relative to the operation of the three projects. In fact, the private owners agreed with Air Force and FHA officials that the three projects would always be under single management, and many management controls

¹ Title VIII—Military housing insurance of the National Housing Act, Public Law 479, 73d Cong.; 12 U.S.C. 1701 et seq.

² Title VIII—Armed Services Housing Mortgage Insurance, Public Law 345, 84th Cong., 69 Stat. 635-646.

³ Section 404(a) of the Housing Amendments of 1955 authorized the Secretary of Defense to acquire by purchase, donation, condemnation, or other means of transfer any land or (with the approval of the Federal Housing Commissioner) any housing financed with mortgages insured under title VIII of the National Housing Act as in effect prior to Aug. 11, 1955.

were vested in the commanding officer of the Air Force installation. In addition, the three projects were burdened with cross easements of roads, sewers, water, lights, storm sewers, and so on. They also share common streets, driveways, and other appurtenances. Furthermore, it is understood that the Air Force has always considered and treated the section 608 project as being part of the family housing inventory of the Air Force.

Once the Air Force acquired ownership to the two Wherry Act projects, these were designated as "public quarters" and the Air Force therefore required service personnel to occupy such quarters. The section 608 project has been left to compete with the two projects designated as "public quarters." Since the Air Force can assign personnel to "public quarters," the section 608 project has suffered a critical curtailment of occupancy and it now appears that the FHA may be forced to acquire the property and pay the insurance claims for which it is liable.

Because of the unique circumstances involving the section 608 project—the certifications and other agreements made surrounding all three projects, the peculiar location of the section 608 project in relation to the Air Force installation and two other projects now owned by the Air Force, and the cross easements and other such common rights in interest integral to the section 608 project and the Air Force-owned properties—the committee believes acquisition of this project by the Secretary of Defense to be not only an equitable and just solution to the problem but also to be in the best interest of the Federal Government.

FELLOWSHIPS FOR CITY PLANNING AND URBAN STUDIES

Section 806 of the bill would authorize \$500,000 annually for a 3-year period, beginning July 1, 1964, to be used by the Housing and Home Finance Administrator to provide fellowships for the graduate training of professional city planning and urban and housing technicians and specialists. This section further provides that (1) persons shall be selected for such fellowships solely on the basis of ability; (2) fellowships shall be solely for training in public and private non-profit institutions of higher education having programs of graduate study in the field of city planning or related fields, which programs are oriented to training for careers in city and regional planning, housing, urban renewal, and community development; and (3) in administering this section, the Administrator shall consult with, and secure the advice of, the Department of Health, Education, and Welfare.

SAVINGS AND LOAN ASSOCIATIONS

Lending area

Section 807 (a) (1) would increase the statutory area in which a Federal savings and loan association may exercise its general lending authority under subsection (c) of section 5 of the Home Owners' Loan Act of 1933 to 100 miles from the association's home office instead of the existing 50 miles. It would leave unaffected the provision that an association converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter.

The present 50-mile limitation was placed in the statutes more than 25 years ago. In the intervening years, the country has experienced a tremendous suburban expansion, the establishment of new road systems and mass transit so that the commuting distance and metropolitan areas have been constantly enlarged. In recognition of these changes, your committee feels that the statutory lending area of a Federal savings and loan association should be 100 miles from its principal office. Lending activity pursuant to the amendment would, of course, be subject to such rules and regulations as the Federal Home Loan Bank Board may prescribe under section 5(a) of the Home Owners' Loan Act of 1933.

Section 807 (a) (2) amends section 403 (b) of the National Housing Act to make the lending authority of State-chartered associations under that act consistent with the lending authority of Federal savings and loan associations under the revision of section 5(c) of the Home Owners' Loan Act of 1933.

The language adopted by the committee makes it clear that State-chartered institutions can make loans beyond the first 50-mile limit, and up to the new 100-mile limit, only with the approval of and pursuant to regulations of the Federal Savings and Loan Insurance Corporation. This is consistent with the treatment of the federally chartered associations which will be authorized to increase their lending limit to 100 miles from the home office only with the approval of and pursuant to regulations of the Board. It is the understanding of the committee that regulations will be issued to provide uniform treatment of the two types of associations.

Participations and the percentage of assets limitations

Subsection (b) of section 807 raises to 40 percent the overriding limitation on investments by a Federal savings and loan association in first liens on improved real estate without regard to other limitations of section 5(c) of the Home Owners' Loan Act of 1933 and investments in participating interests in first liens on real property of the types on which it may make loans under its general lending authority and without regard to the area restriction. At the present time, a Federal savings and loan association may invest 20 percent of its assets in each of the foregoing categories but there is an overriding limitation on the total investments in both categories of 30 percent of the association's assets. The committee believes a Federal savings and loan association should be permitted to make full use of both 20 percent categories.

Loans on leaseholds

Subsection (c) of section 807 amends section 5(c) of the Home Owners' Loan Act of 1933 by adding a new paragraph defining "real property" and "real estate" to include certain leaseholds. The subsection defines those terms as including a leasehold or subleasehold estate in real property under a lease or sublease the term of which does not expire, or which is renewable automatically or at the option of the holder (or at the option of the association) so as not to expire, for at least 15 years beyond the maturity of the debt or for such longer period as the Board, by regulation, may prescribe. The committee thinks that associations located in States where the history or practice involves the use of relatively short-term leaseholds as the security for real estate loans should be permitted to make loans on

such security. The committee also recognizes the tradition of home mortgages on fee simple interests in the savings and loan industry and the potential risk involved in lending on the security of short-term leaseholds. It feels such lending should not be encouraged in States where custom and practice does not make it a competitive necessity. Although some interested groups recommended loans on the security of leaseholds of 10 years, or such shorter period as the Board, by regulation, prescribed, the committee concluded that a minimum of 15 years would be sounder. The greater restriction of 15 years is offset, at least in part, by the inclusion of leases which are renewable automatically or at the option of the holder or the association for that period. In any event, the exercise of this authority would be subject to the regulatory authority of the Federal Home Loan Bank Board under section 5(a) of the Home Owners' Loan Act of 1933 and the committee expects the Board to exercise that regulatory authority.

Investments and obligations secured by real property located within an urban renewal area

Subsection (d) of section 807 amends section 5(c) of the Home Owners' Loan Act of 1933 to permit a Federal savings and loan association to invest not more than 5 percent of its assets either in direct investments on real property located within urban renewal areas or in obligations secured by a first lien on real property so located. Within this 5-percent limit direct investments as sponsors would be limited to amounts up to 2 percent of the association's assets in real property or any interest therein, determined as prescribed by the Board. At present, a Federal savings and loan association may invest up to 5 percent of its assets in certificates of beneficial interest issued by any urban renewal investment trust. Because this provision has not been successful the committee is eliminating it from the act, but is substituting new authority as a means of stimulating investment by Federals in urban renewal areas.

Investment in stock of corporations

Subsection (e) of section 807 adds to section 5(c) of the Home Owners' Loan Act of 1933 a new provision authorizing Federal savings and loan associations, subject to rules and regulations of the Federal Home Loan Bank Board, to invest not exceeding 2 percent of their assets in the stock, obligations, or other securities of corporations organized under the laws of the State in which the association's home office is located, but only if the entire capital stock of the corporation is available for purchase only by savings and loan associations of that State and by federally chartered associations having their home offices in that State.

Savings and loan associations have many of the same needs for cooperative data processing as do commercial banks. This provision will permit Federal savings and loan associations to invest in service corporations established to render data processing services or other needed services to savings and loan associations. The authority to make such investments would be subject to the rules and regulations of the Federal Home Loan Bank Board and the committee does not contemplate that an association would be permitted to invest in corporations which do other than provide such services to the savings and loan association.

Advances to Federal home loan bank members

Subsection (f) of section 807 amends subsection (b) of section 10 of the Federal Home Loan Bank Act to provide that no home mortgage shall be accepted as collateral security for an advance by a Federal home loan bank if, when the advance is made, the home mortgage loan secured by it has more than 30 years to run to maturity, except in the case of certain insured or guaranteed loans. Prior to this amendment, the limitation was 25 years. In view of prevailing mortgage maturities, the committee believes that an extension of the term set forth in subsection (b) of section 10 of the Bank Act is desirable.

REAL ESTATE LOANS BY NATIONAL BANKS

Section 808 would amend the Federal Reserve Act to permit national banks to invest in real estate loans up to 80 percent of the appraised value of the real estate and for a term no longer than 30 years. Existing law limits loans to 75 percent of value and a term of 20 years.

The committee is aware of the increasing activity of the national banks in the residential mortgage market and saw no reason why they should not be further encouraged by liberalizing the existing restrictions in the law on residential lending. Even though the maximum authority might be used in only rare cases, the new terms would give the banks more flexibility and permit them to make sound loans where they are not now permitted.

It is understood, of course, that the key to good lending practices depends more on credit of the borrower than on the security of the loan. Nevertheless, as loan-to-value ratios are liberalized, it becomes increasingly important that lending institutions adopt more precise measures and procedures in estimating value. In today's market with prices leveling off, this has further significance in insuring the soundness of the investment.

In a recent hearing on this subject, testimony was provided by Mr. Harry P. Bergmann, senior vice president, Riggs National Bank, Washington, D.C., and chairman, Mortgage Finance Committee, American Bankers Association, urging the committee's support for this amendment.

The following excerpt from his statement is an excellent justification for the committee's action.

National banks hold approximately \$14 billion in residential real estate loans and, in addition, originate a substantial volume of such loans for other permanent investors. Thus they are very significant participants in the residential mortgage market, yet they must operate at a serious disadvantage when compared with other mortgage lenders, including State-chartered commercial banks. For example, State-chartered banks in 20 States have no statutory limitations at all on loan-to-value ratios, while in 24 States there is no statutory limitation on the maximum maturities which can be given borrowers by State banks. Further, some of the States which do have limitations have less severe restrictions than are applicable to national banks.

The flexibility to be gained by national banks from a broadening of mortgage-lending authority is important for several reasons: First, it would enable them to serve those potential homeowners who, for various reasons, require a higher ratio of loan to value of property or a longer maturity or both. In communities where commercial banks are the principal mortgage lenders, modernized lending powers would be especially beneficial in permitting the servicing of those prospective borrowers who do not have the present ability to meet available terms and do not have ready access to other mortgage lenders. Second, since a significant activity which commercial banks perform in the housing finance field consists of loan origination for sale to other mortgage holders, they should have the more flexible powers to provide loan terms which would more nearly match the requirements of the prospective borrower and the standards established by the ultimate holder of the mortgage loan.

It cannot be emphasized too strongly that modernization of real estate loan limitations for national banks does not mean that henceforth all residential real estate loans by national banks will be at 80 percent of appraised value and for 30-year terms. This is not the case with State banks today (in States permitting such loans) nor would it be for national banks. Indeed it is doubtful that adoption of this legislation would alter significantly the present lending policies of national banks. What it would do, however, is provide a degree of flexibility for national banks which would enable them, in appropriate circumstances, to make sound loans under somewhat more liberal terms than are presently possible.

Program authorization and 1965 budget expenditures

The following table was prepared from information supplied by the Housing and Home Finance Agency and is included in this report for the information of the Senate. The estimates of budget expenditures have not been analyzed by the committee, and do not necessarily represent its views.

Summary of program authorizations and budgetary impact through Oct. 1, 1965

[In millions]

| Program | Authorizations | | Budgetary impact ² | |
|--|-------------------|---------------------|-------------------------------|----------------------------------|
| | Type ¹ | Amount | New obligational authority | Net expenditures or receipts (-) |
| Low income housing programs: | | | | |
| Low income housing program | CA | \$36.0 | None | None |
| Relocation assistance: | | | | |
| Families and elderly individuals | CA | ³ (.2) | None | None |
| Businesses | CA | ³ (.3) | \$0.1 | \$0.1 |
| Additional subsidy for displacees moving into public housing | CA | ³ (.6) | .3 | .3 |
| Low income housing demonstrations | CA | 5.0 | 3.0 | .3 |
| Urban renewal programs: | | | | |
| Title I grant authorization | CA | 850.0 | 850.0 | 4.0 |
| Demonstration grant limitation | CA | ³ (5.0) | ³ (5.0) | .1 |
| Relocation assistance: | | | | |
| Families and elderly individuals | CA | ³ (26.0) | ³ (26.0) | 5.0 |
| Businesses | CA | ³ (58.0) | ³ (58.0) | 15.0 |
| Urban planning assistance | AA | 30.0 | 30.0 | 2. |
| Community development programs: | | | | |
| Public works planning advances | AA | 20.0 | 20.0 | 3.0 |
| Open space land grants | CA | 25.0 | 25.0 | None |
| Loans for advance acquisition of land for public improvement | BA | (⁴) | None | 5.0 |
| Special housing programs: | | | | |
| Direct loans for housing for the elderly | AA | 75.0 | 50.0 | 2.0 |
| Nonprofit nursing homes | IA | None | (⁴) | (⁵) |
| Fellowships in city planning and urban studies | AA | 1.5 | .8 | .8 |
| Sale of participation certificates in FNMA mortgage pool | (⁵) | (⁵) | None | -200.0 |
| Subtotal, HHFA | | 1,042.5 | 979.2 | -162.4 |
| Farm housing programs: | | | | |
| Direct loan programs (sec. 511) | BA | 150.0 | 150.0 | 145.0 |
| Grants for low rent housing for domestic farm labor | AA | 10.0 | 10.0 | 8.0 |
| Sale of participation certificates in VA mortgage pool | (⁵) | (⁵) | None | -100.0 |
| Subtotal, other agencies | | 160.0 | 160.0 | 53.0 |
| Grand total | | 1,202.5 | 1,139.2 | -109.4 |

¹ Type of authorization:

AA—Authorization for appropriations.

BA—Borrowing authorization.

CA—Contract authorization.

IA—Insurance authorization.

² New obligational authority and net budget expenditures estimates are confined to period between date of enactment and Oct. 1, 1965, which is the expiration date specified for many of the program authorizations in the proposed act.³ Parentheses indicate nonadd items funded from total urban renewal title I grant authorization or from total public housing annual contributions authorization.⁴ Program would be funded from existing authorization for public facility loans.⁵ Not applicable.

INDIVIDUAL VIEWS OF SENATOR ROBERTSON

URBAN RENEWAL

I oppose the proposal to add an additional \$850 million to the urban renewal program.

Under the urban renewal program the Federal Government pays a large share of the cost of these urban renewal projects—two-thirds in most cases. This offer is indeed tempting.

When the recent tax cut was being considered, it was generally understood that the Government would economize in every way possible. Under the circumstances, I do not think we should increase expenditures for the urban renewal program by \$850 million.

PUBLIC HOUSING

I oppose adding 45,000 more units to the Federal low-rent public housing program. For these units, costing an average of \$14,000 apiece, future Congresses would be bound to appropriate as much as \$36 million over each of the next 40 years. This maximum of \$1.4 billion would be payable under a form of back-door Treasury financing.

Again, I do not think it is consistent with our fiscal and monetary situation to continue the expensive public housing program, with all the problems it involves, at a time when we should be concentrating on economy in government.

INDIVIDUAL VIEWS OF SENATOR BENNETT, SENATOR TOWER, SENATOR SIMPSON, AND SENATOR DOMINICK

EXTENDER APPROACH MORE DESIRABLE

During the course of subcommittee and full committee action on the Housing bill for 1964, a little "fat" was accumulated on what was to be a "bare bones" bill extending existing housing programs and authorizations for 15 months.

We felt the extender approach to the housing legislative problems this year would be a wise move so that this complex legislation could be free of political motivations, and in 1965 the committee could proceed to work some commonsense into the bill.

The point should be stressed here that we believe a great many issues in the Housing Act are subject to controversy. There also are administrative interpretations with which we heartily disagree.

We believe strongly that taxpayers' dollars are wasted; are used to little or no advantage other than political, and are used to cover up administrative inefficiencies.

We believe the Housing Act for too long has been a catchall for every scheme that has been thought up, ranging from no-downpayment homes for all to the rebuilding of badly planned and badly managed cities; to the building of new towns; to the financing of transportation in the cities; to the Federal purchase of breathing room or "open spaces" in the big cities; to the paternal care of migrant workers whose employers are not paternal; to the granting of "vacation allowances" for businessmen who stay out of business when displaced by an urban renewal project.

MONEY INSTEAD OF EFFICIENCY

We believe that in its rush to pour funds into the rebuilding of central cities with plush new department stores, municipal centers, sports arenas and motor hotels, the Housing agency has been derelict in its duty to properly relocate those folks who were forced from their homes in order to bring about this downtown fairyland.

This bill tries to meet an obviously inefficient job of relocation of displaced persons by making nearly \$100 million more funds available. It is another effort to use money instead of proper administration to solve the problem.

Cities are reaping tax profits from the granting of Federal funds for the rebuilding of the cities—Federal funds taken from the pockets of all the taxpayers in the country. There is no sharing of the benefits, yet, but we look forward to a 1965 amendment which will require the profiting cities to return to their benefactors 10 percent of the additional tax "take" they reap from the renewed property in urban renewal programs.

FORECAST END TO PUBLIC HOUSING

We look forward, too, to an amendment in 1965 which will make homeowners out of most of the occupants of public housing, the initial step toward the elimination of the need for Federal public housing.

We hope to see in 3 years the occupants of public housing taking advantage of federally offered options to buy their homes under the financing advantages of condominium mortgage insurance with the rent they have paid for 3 years considered as the "downpayment."

These amendments, and others, were withheld from the bill this year in the belief that an extender bill would best accommodate during this political year those who believe in, and those who do not believe in, the whole conglomeration of the Housing Act mess.

We will offer these amendments next year, along with others which we believe will help bring order out of the housing chaos and perhaps contribute to some "new type" thinking as to the whole question of what is mistakenly called the housing program.

NEW CITY AID PROGRAM INCONSISTENT

In addition to the increase in relocation spending, more "fat" was accumulated through the inclusion in the bill of a program of Federal loans to cities for the advance acquisition of land for use in future growth of community facilities.

We agree that cities should be looking ahead in their planning, but there are points about this Federal aid program that need to be given some thought. The loan principal and interest payments, with 15-year maturity, can be deferred and the Administrator is given a blank check on further terms and conditions.

We believe that if such a new program is necessary to help cities "pull additional chestnuts out of the fire," then the terms of the program should be consistent with the terms of the existing Community Facilities Act which requires that the cities first attempt to obtain the funds by selling bonds on the public market. If the bonds cannot be sold on reasonable terms, the community then can apply for a Federal loan.

There is also the question as to what extent the proposed direct Federal loans might circumvent legal and constitutional restrictions on city bonded indebtedness.

INCLUDES NATIONAL DEBT TRICK

The balance of the "fat" came from "nit picking" and politicking. The nit picking involved some limited liberalizing of existing programs. The politicking was in the form of authorization of the sale of some FNMA assets, probably a couple hundred million dollars worth, which helps the administration to delay "bumping its head" on the national debt ceiling again.

We feel the committee took halfhearted action in city building code enforcement requirements whereas a thorough study should have been ordered so that effective action could be taken in 1965.

We believe the committee has been lax in forcing cities to meet proper code conditions before qualifying for Federal assistance pro-

grams. It has been admitted that the code situations in many cities serve to contribute to the need for Federal assistance.

LOOKING AHEAD TO 1965

It is our sincere belief that a truly "bare bones" bill should have been offered the Congress at this time and it is our intention to offer a bill in the nature of a substitute. This bill will come much closer to the goal of an extender measure.

And, we reiterate that in 1965 we will offer to the Congress amendments designed to make major changes in this vast program of grants and loans which has placed our cities in the paradoxical position of being beggars and profiteers; has enticed hundreds of thousands of our people to try to finance homes beyond their means; has created unfair dreams in the minds of the destitute; has sprawled over the country to the point of near domination of all urban and some rural life; has lost nearly all semblance of an honest effort by the Federal Government to be helpful to those needing Federal help to obtain safe and sanitary housing.

WALLACE F. BENNETT.
JOHN G. TOWER.
MILWARD L. SIMPSON.
PETER H. DOMINICK.

SECTION-BY-SECTION SUMMARY

TITLE I—MORTGAGE INSURANCE PROGRAMS

Additional relief for home mortgagors in default due to circumstances beyond their control

Sec. 101 (a) and (b).—Amends section 204 (a) and section 203 of the National Housing Act to (1) permit additional relief to FHA mortgagors who are in default due to circumstances beyond their control, (2) make lenders more willing to extend forbearance to those mortgagors who are in default rather than proceeding to immediate foreclosure.

Correction of substantial defects in mortgaged homes

Sec. 102.—Amends title V of the National Housing Act by adding a new section which would enable FHA, if the builder does not provide relief, to aid distressed homeowners who find structural or other major defects in their properties purchased with FHA-insured loans. FHA could correct the defects, pay the homeowner's claim on account of the defects, or acquire the property. The authority would be available for new homes purchased not more than 3 years prior to enactment of the Housing Act of 1964. Requests for relief would be required to be received by FHA not later than 4 years after insurance of the mortgage or shorter periods if the FHA so requires.

Home improvement loans outside of urban renewal areas

Sec. 103.—Amends section 203(k) of the National Housing Act to make the home improvement loan insurance program for homes outside of urban renewal areas more workable and more acceptable to lenders. The requirement that FHA find the property with respect to which a loan is executed to be "economically sound" would be removed and the more liberal "acceptable risk" requirement substituted. FHA would also be authorized to pay insurance benefits on the loans in cash in case of default.

Mortgage insurance for nonprofit nursing homes

Sec. 104.—Amends section 232 of the National Housing Act to make private nonprofit nursing homes eligible for FHA-insured mortgages financing the construction or rehabilitation of nursing homes. The same terms and limitations as are now applicable to FHA-insured mortgages financing proprietary nursing homes would be applicable to the mortgages for nonprofit mortgagors.

The Surgeon General of the United States would be required to certify to FHA the need for a nursing home.

TITLE II—URBAN RENEWAL AND GROWTH

Code enforcement

Sec. 201.—Amends section 101(c) of the Housing Act of 1949 to add to the workable program a requirement that, beginning 3 years after the date of enactment of the Housing Act of 1964, no workable pro-

gram will be certified or recertified unless the locality has had in effect for at least 6 months a minimum standards housing code and the Housing and Home Finance Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with the code.

Amends section 110(c) of the Housing Act of 1949 to authorize a new type of urban renewal project which could consist entirely or substantially of a project of intensive code enforcement in an urban renewal area, and permits the cost of code enforcement activities carried out in clearance and redevelopment projects, and in rehabilitation or conservation projects, to be included as a part of eligible project cost.

However, code enforcement activities in clearance and redevelopment projects, and in rehabilitation or conservation projects, could be included as an eligible project cost only if the community agrees to increase its total expenditures for code enforcement activities by an amount equal to its share of the project cost attributable to the code enforcement activities in the project area. Similarly, a community could receive assistance for the new type of code enforcement urban renewal project authorized by this section only if it agrees to increase its total expenditures for code enforcement by an amount equal to its share of the cost of such project.

Loan contract for two or more projects

Sec. 202.—Amends section 102 of the Housing Act of 1949 to permit the Housing Administrator to enter into a single contract with a local public agency to provide the temporary financing needed for all urban renewal projects undertaken in the locality at any one time.

Capital grant authorization

Sec. 203.—Amends section 103(b) of the Housing Act of 1949 to increase the present urban renewal grant authority by \$850 million in order to provide for continued operation of the program until October 1, 1965.

Feasible method for relocation of individuals

Sec. 204.—Amends section 105(c) of the Housing Act of 1949 to require local public agencies to assure that adequate housing will be available for individuals as well as families displaced from urban renewal areas.

Property to be used for housing for moderate-income families or individuals

Sec. 205.—Amends section 107(b) of the Housing Act of 1949 to permit the sale of real property in an urban renewal area at a special reduced price to purchasers who will use such real property to provide housing for low- or moderate-income individuals. The sale of real property at a special reduced price is already available for housing for low- or moderate-income families.

Amendment of definition of "going Federal rate"

Sec. 206.—Amends section 110(g) of the Housing Act of 1949 to permit the interest rate set for an urban renewal contract for loan or advance to apply not only to the amount originally authorized, but also to any additional amounts authorized by subsequent amendments to the contract.

Projects involving the acquisition and development of air-rights sites

Sec. 207.—Amends section 110(c) of the Housing Act of 1949 to specifically authorize urban renewal projects for air-rights developments to be used in providing sites for low- or moderate-income housing and related facilities and uses. An air-rights project could be undertaken in an area which is not itself a slum, blighted, deteriorated, or deteriorating area if it consists principally of land in highways, railway, or subway tracks, bridge, or tunnel entrances, or other similar facilities which have a blighting influence over surrounding areas. Such a project could include the construction of foundations and platforms, as well as acquisition of the necessary development rights. In no case, however, could noncash local grant-in-aid credit be given for the donation of air development rights over streets, alleys, or other public rights-of-way.

Relocation payments to displaced persons and businesses

Sec. 208.—Amends title I of the Housing Act of 1949 by adding to it a new section which would authorize additional federally reimbursed relocation payments to families, elderly individuals, and businesses displaced from urban renewal areas, as follows:

Families and elderly individuals: To low- or moderate-income families, or individuals 62 years of age or over—displaced between January 27, 1964, and October 1, 1965—monthly payments—for up to 12 months—in an amount which, when added to 20 percent of their income, would equal the average rent required in the community for a decent, safe, and sanitary dwelling of modest standards and adequate size. Payments would be made only to families and individuals for whom no public housing is available, and could not exceed the estimated portion of an annual contribution attributable to a corresponding unit of public housing.

Small business concerns: To a displaced independent business with average annual earnings of less than \$10,000 per year, \$1,000 plus an additional \$1,500 if it has not been reestablished within 1 year.

Urban renewal demonstration program

Sec. 209.—Amends section 314 of the Housing Act of 1954 to increase from \$5 to \$10 million the grant limitation for the urban renewal demonstration grant program and makes program funds available to pay the full cost of writing and publishing reports on demonstration projects and similar undertakings.

Urban and regional planning grants

Sec. 210.—Amends section 701(a) of the Housing Act of 1954 to make the following changes in the program of urban planning:

(1) Would permit a grant for planning assistance to any group of adjacent communities of less than 50,000 population and having common or related urban planning problems, whether or not “resulting from rapid urbanization” as now specified in the statute.

(2) Would authorize grants (where the State planning agency or Governor assents) to regional or metropolitan planning bodies for direct planning assistance to smaller municipalities and other areas of under 50,000 population. Planning assistance

may now generally be provided such areas only by a State planning agency.

(3) Would authorize planning assistance, without regard to the otherwise applicable 50,000 population limitation, to municipalities and counties in any redevelopment areas designated under section 5 of the Area Redevelopment Act. Such designation must now be under section 5(a) of that act.

(4) Would permit three-fourth grants for certain planning in any redevelopment areas designated under section 5 of the Area Redevelopment Act (rather than just under sec. 5(a)), and would make planning for Indian reservations and groups of adjacent communities eligible for such grants.

Eligibility of counties for planning assistance

Sec. 211.—Amends section 701(a) of the Housing Act of 1954 to authorize Federal grants for planning assistance to counties without regard to population (rather than only to counties with populations of less than 50,000 as presently provided). Planning assistance to counties of 50,000 or more population which are within metropolitan areas would be provided only if the Housing Administrator finds that the planning for the county will be coordinated with the program of comprehensive planning, if any, which is being carried out for the metropolitan area. In addition, the aggregate amount of grants available for counties of 50,000 or more population which are within metropolitan areas would be limited to 15 percent of the aggregate amount appropriated, after the date of enactment of the Housing Act of 1964, for grants under the section 701 program.

Planning problems resulting from Chamizal Treaty of 1963

Sec. 212.—Authorizes the Housing and Home Finance Administrator to make comprehensive urban planning grants, under section 701 of the Housing Act of 1954, to El Paso, Tex., to assist it in solving urban planning problems resulting from the Chamizal Treaty of 1963. Any such grants made to El Paso would be at the regular matching level and subject to the same conditions and requirements applicable to other section 701 grants.

Planning grants for Indian reservations

Sec. 213.—Amends section 701(a) of the Housing Act of 1954 to authorize grants to a State planning agency, or to a qualified tribal body designated by the Secretary of the Interior, for planning assistance to an Indian reservation.

Planning grant authorization

Sec. 214.—Amends section 701(b) of the Housing Act of 1954 to increase by \$30 million the authorization of appropriations for urban planning grants.

Eligibility of certain local grants-in-aid

Sec. 215.—Makes expenditures made by St. Francis Hospital, Peoria, Ill., for the purchase of certain land eligible to be counted as local grants-in-aid to the Peoria "Medical center" urban renewal project.

Nonresidential projects in the District of Columbia

Sec. 216.—Amends section 316 of the Housing Act of 1954 to provide that urban renewal projects in the District of Columbia may include urban renewal projects authorized by the Housing Act of 1949 without regard to the residential or nonresidential character or reuse of the urban renewal area.

TITLE III—HOUSING FOR LOW-INCOME FAMILIES

Eligibility of displaced individuals

Sec. 301.—Amends sections 2(2), 10(g)(2), and 15(7)(b) of the United States Housing Act of 1937 to make single low-income displaced persons eligible for admission to low-rent housing regardless of age or disability status.

Additional subsidy for urban renewal and low-rent housing displacees

Sec. 302.—Amends section 10(a) of the U.S. Housing Act of 1937 to authorize a special subsidy, similar to the present special subsidy for the elderly, of up to \$120 per year for units occupied by displacees when the rental for such units is less than that which would normally be charged were they leased to low-income families which were neither elderly nor displaced.

Certification of equivalent elimination

Sec. 303.—Amends section 10(a) of the U.S. Housing Act of 1937 to permit local governing bodies to establish their compliance with the equivalent elimination requirements of the act by certifications of such compliance.

Increase in authorization for annual contributions

Sec. 304.—Amends section 10(e) of the U.S. Housing Act of 1937 to increase by \$36 million the limit on contracts for annual contributions of low-rent public housing in order to authorize approximately 45,000 additional units.

Relocation of families and individuals displaced from project sites

Sec. 305.—Amends section 15(7)(b) of the U.S. Housing Act of 1937 to establish for the low-rent public housing program the same basic relocation requirements as are applicable to the urban renewal program.

Relocation payments

Sec. 306.—Amends section 15 of the U.S. Housing Act of 1937 to provide for relocation payments to families, individuals, businesses, and nonprofit organizations displaced from low-rent public housing project sites on the same basis as relocation payments made to urban renewal displacees. These would include the new kinds of payments that would be authorized under section 208 of the bill for displaced business concerns.

Low-income housing demonstration program authorization

Sec. 307.—Amends section 207 of the Housing Act of 1961 to increase from \$5 million to \$10 million the amount authorized for grants to assist in developing and demonstrating new and improved means of providing housing for low-income persons and families.

TITLE IV—COMMUNITY FACILITIES

Public facility loans

Sec. 401.—Amends section 202 of the Housing Amendments of 1955 to (1) make clear that instrumentalities of one or more States and instrumentalities of municipalities or other political subdivisions in one or more States are not precluded from receiving assistance under the public facility loans program if otherwise eligible, and (2) make financial assistance under the public facility loans program available to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States without regard to the aggregate population of the communities which it is serving, so long as each of these communities is within the existing population limits of the program.

Advance acquisition of land

Sec. 402.—Amends section 202 of the Housing Amendments of 1955 to authorize the Housing Administrator to make loans, with deferred payment of principal and interest, to communities to finance the acquisition of open or predominantly undeveloped land planned to be utilized in connection with the future construction of public works and facilities. These loans would have to be reasonably secured; would bear interest at the rate prescribed by the statutory formula in the public facility loans program (currently 4 percent); and would have a maximum maturity of 15 years. These loans would be made from the authorization for the public facility loans program, but would not be subject to the population limit in that program.

Advances for public works planning

Sec. 403.—Amends section 702 of the Housing Act of 1954 to (1) authorize additional appropriations of not to exceed \$20 million for public works planning advances, (2) permit a public agency which constructs only a part of a public work planned with an advance under the first or second as well as the third advance planning programs to repay only that proportionate amount of the advance as the Administrator determines to be equitable; (3) authorize the Administrator to terminate all or a portion of the liability for repayment of any advance made under the first, second, or third advance planning programs upon terms and conditions he deems equitable; (4) authorize the Administrator to terminate any agreement for an advance under the first, second, or third advance planning programs whenever he determines that there is no reasonable likelihood that the public work planned will be constructed; (5) eliminate the requirement that the applicant for a planning advance must hold in a separate account the funds required to finance the costs of preparing a plan for the construction of a public facility; and (6) make Indian tribes eligible for public works planning advances.

TITLE V—MORTGAGE INSURANCE PROCEDURAL AMENDMENTS

Time limit on FHA recoupment of title I insurance payments

Sec. 501.—Amends section 2(g) of the National Housing Act to remove FHA's authority to demand return by lenders of insurance benefits they have received on title I defaulted property improvement loans where claims were certified for payment prior to December 31,

1957, and FHA finds defects in the loans. Under present law, where claims of lenders were certified for payment after December 31, 1957, FHA cannot demand return of payment if 2 years have passed after the certification, but the 2-year limit for demand of return does not apply to loans certified prior to that date.

Optional cash payment of insurance benefits

Sec. 502.—Amends title V of the National Housing Act by adding a new section which would authorize the Federal Housing Commissioner, in his discretion, to pay insurance claims in cash when at the time of payment, he determines this to be desirable. This authority could be used in place of issuing and then calling debentures, but would in no way authorize the FHA to obligate itself to pay in cash rather than debentures.

Low-cost housing in outlying areas

Sec. 503.—Amends section 203(i) of the National Housing Act to raise from \$9,000 to \$11,000 the dollar limit on the amount of a mortgage which can be insured by the Federal Housing Commissioner on low-cost housing in outlying areas.

Changes in FHA insurance benefits and simplification of payment procedures

Sec. 504.—Amends the National Housing Act to simplify the collection of insurance claims by lenders. This would include the elimination of "certificates of claim" on home mortgages, and providing for appropriate increases in the amount of the debentures paid to the lenders.

Would also eliminate payment of mortgage premiums by lenders upon multifamily mortgages after application for insurance benefits.

Elimination of mandatory acquisition or foreclosure within 1 year of multifamily project in default

Sec. 505.—Amends section 207(k) of the National Housing Act to eliminate the requirement that the Federal Housing Commissioner acquire or foreclose a multifamily housing project within 1 year of the default on the mortgage.

Room count limitation in FHA multifamily projects

Sec. 506.—Amends the National Housing Act to substitute for the present room count limit on the amount of an FHA-insured mortgage financing a multifamily housing project a limit based on the number of family units in the project combined with dollar limits per family unit based on the number of bedrooms in each unit. The dollar per unit limits could be increased by not to exceed 45 percent in high-cost areas.

FHA section 221 housing for low- or moderate-income persons

Sec. 507.—Amends section 221(c) of the National Housing Act to authorize individual elderly persons to purchase or occupy low- and moderate-income housing financed under the section 221 mortgage insurance program. This would include rental housing financed with mortgages bearing below-market interest rates under the section 221(d)(3) program.

Also amends section 221(d)(3) of the National Housing Act to permit any mortgagor (which could include a trust, partnership, or

individual) approved by the Federal Housing Commissioner to be a mortgagor under the below-market rental housing program for low- and moderate-income families authorized by that section if the mortgagor is regulated by the Commissioner as to rents, charges, and methods of operation in a manner that will effectuate the purposes of the program.

Adds language to section 221(e) to provide that the Commissioner may approve as a mortgagor under the below-market rental housing program a mortgagor which has entered into an agreement with a private nonprofit corporation eligible for an insured mortgage under the program that the mortgagor will sell the project when it is completed to the corporation at the actual cost of the project. The mortgagor to whom the property is sold would be regulated by the Commissioner by imposing occupancy restrictions, income limits on tenants, low rentals, and other restrictions which would carry out the purpose of providing housing for low- or moderate-income families or persons.

Mortgage insurance for servicemen

Sec. 508.—Amends section 222(b) of the National Housing Act to authorize members of the Armed Forces and the Coast Guard to obtain, on the special terms provided by the section 222 mortgage insurance program for servicemen, housing financed under the section 221 mortgage insurance program for low- or moderate-income families.

Private financing of sale of FHA-acquired properties

Sec. 509.—Amends section 223(c) of the National Housing Act to encourage private financing of the sale of FHA-acquired properties by authorizing FHA to insure mortgage loans made by private lenders to the purchasers of the properties without regard to limitations or requirements usually applicable to insured mortgages.

Experimental housing

Sec. 510.—Amends section 233 of the National Housing Act to permit mortgages which meet the requirements of any of the title II mortgage insurance programs of FHA to be insured under the experimental housing program if the housing involves the utilization or testing of new design, materials, construction methods, or experimental property standards for neighborhood design. Under present law, only mortgages which meet the requirements of the regular section 203 home mortgage insurance program or the section 207 rental housing program can be insured under the special experimental housing program.

Mortgage insurance for condominiums

Sec. 511.—Amends the National Housing Act to perfect FHA authority for condominium mortgage insurance by (1) liberalizing the maximum mortgage terms for the purchase of individual units to conform to regular section 203 terms; (2) permitting condominiums to consist of more than one structure; (3) permitting an investor-sponsor cooperative to convert to a condominium; and (4) authorizing special mortgage insurance for construction or rehabilitation of a condominium structure (before it is sold in units) as distinguished from the existing practice of insuring the structure under the regular FHA rental programs.

TITLE VI—PARTICIPATION IN FNMA POOL OF MORTGAGES

Pooling of mortgages for sale

Sec. 601(a).—Amends section 302 of the FNMA Charter Act to add a new subsection (c) which would vest FNMA with fiduciary powers and enable FNMA to sell beneficial interests or participations in mortgages or interests therein. FNMA would be authorized to guarantee these beneficial interests or participations and instruments evidencing these beneficial interests or participation would be exempted from the SEC laws.

(b).—Amends section 311 of the FNMA Charter Act to include the types of instruments issued by FNMA in a fiduciary capacity within the definition of legal investments set forth in that section.

(c).—Amends section 5136 of the Revised Statutes to exclude instruments issued by FNMA in a fiduciary capacity from the limitations imposed by Federal banking laws. As a result, national and other affected banks would be able to deal in, underwrite, and purchase for their own account participations and other instruments issued by FNMA in a fiduciary capacity, as they may now do with respect to FNMA obligations.

(d).—Amends subsection (h) of section 11, and section 16, of the Federal Home Loan Bank Act to permit investment of surplus and reserve funds of Federal home loan banks in struments issued by FNMA in its fiduciary capacity.

(e).—Amends section 5 of the Home Owners' Loan Act of 1933 to permit the investment of Federal savings and loan associations' assets in instruments issued by FNMA in its fiduciary capacity.

(f).—Amends pertinent provisions of chapter 37, title 38, United States Code, dealing with the GI loan program administered by the Veterans' Administration, so as to provide authority for the Veterans' Administration to join in the financing arrangements authorized by this title. It would also provide for disposition of the proceeds received by VA from the sale of participations. The ownership of VA's mortgages, as well as the servicing and management of such mortgages, would remain in the VA unless there is a default as to the related participations.

Also amends section 1823 of title 38, United States Code, so as to make it clear that the time limit imposed by that section for return to the Treasury of all sums in the direct loan revolving fund upon completion of the direct loan program will not prevent maintenance of a reasonable reserve for meeting commitments arising out of the new financing arrangements contemplated by this title.

TITLE VII—RURAL HOUSING

Extension of rural housing programs

Sec. 701.—Amends sections 511, 512, 513, and 515 of the Housing Act of 1949 to extend certain rural housing programs until October 1, 1965.

In addition, this section would authorize an additional \$150 million for the program of direct housing loans administered by the Farmers Home Administration and increase from \$100,000 to \$300,000 the maximum amount of a loan which may be insured under section 515(b)

of title V for rental housing and related facilities for elderly persons and elderly families in rural areas.

Definition of domestic farm labor

Sec. 702.—Amends section 514(f) of the Housing Act of 1949 and redefines “domestic farm labor” to make immigrant farm laborers permanently residing in the United States after legal entry for permanent residence, as well as citizen farm laborers, eligible to occupy housing financed with loans under that section.

Low-rent housing for domestic farm labor

Sec. 703.—Amends title V of the Housing Act of 1949 by adding a new section which would authorize grants of up to two-thirds of the cost of providing low-rent housing for domestic farm labor. Grants could be made upon the application of a State or political subdivision thereof, or any public or private nonprofit organization. The applicant would be required to agree (1) not to charge rentals exceeding amounts approved by the Secretary, (2) to maintain the housing at all times in a safe and sanitary condition, and (3) to give domestic farm labor an absolute priority for occupancy. Ten million dollars are provided for this new program for the period ending September 30, 1965.

TITLE VIII—MISCELLANEOUS

FNMA—Purchase of participations

Sec. 801.—Repeals section 304(d) of the Federal National Mortgage Association Charter Act and so eliminates the restriction on FNMA purchasing participations in mortgages under its secondary market operations.

Open-space program—Grant authorization

Sec. 802.—Amends section 702(b) of the Housing Act of 1961 to increase by \$25 million the authorization for the open-space grant program and provide that amounts appropriated for the program shall remain available until expended.

Housing for the elderly—Loan authorization

Sec. 803.—Amends section 202 of the Housing Act of 1959 to increase by \$75 million the authorization of appropriations for loans for housing for the elderly.

College housing

Sec. 804.—Amends section 404(b) of the Housing Act of 1950 to permit a college housing loan to be made to an eligible nonprofit corporation without requiring the educational institution to cosign the note for the college housing loan whenever State law prevents the educational institution from acting as cosigner. However, the loan could not be made to the nonprofit corporation without the educational institution cosigning the note unless the educational institution approved the proposed college housing project and the nonprofit corporation.

Acquisition of rental housing project

Sec. 805.—Amends section 404(a) of the Housing Amendments of 1955 to authorize the Secretary of Defense to acquire any housing financed with mortgages insured under section 608 of the National

Housing Act (including adjacent property constructed primarily to provide commercial facilities for the occupants of such housing) completed prior to July 1, 1952, which is situated on or adjacent to a military installation and which was considered as necessary military housing prior to construction.

Fellowships for city planning and urban studies

Sec. 806.—This section would authorize the appropriation of up to \$500,000 annually for a 3-year period to the Housing and Home Finance Administrator to provide fellowships in public and private nonprofit institutions of higher learning for the graduate training of professional city planning and urban and housing technicians and specialists. The Administrator would be directed to consult with the Department of Health, Education, and Welfare in administering the program.

Federal savings and loan associations

Sec. 807.—Amends section 5(c) of the Home Owners' Loan Act of 1933 to broaden the investment powers of federally chartered and federally insured savings and loan associations by (1) extending the statutory lending area for such an association (now 50 miles of its home office) any area within 100 miles of the home office; (2) permitting a Federal association to invest up to 40 percent (now 30 percent) of its assets in first liens and participating interests in first liens on improved real estate outside its basic lending area; (3) permitting a Federal association to make loans secured by a leasehold if the term of the leasehold does not expire (or is renewable automatically by the holder or the association) for at least 15 years beyond the maturity of the loan, or for such longer period as the Federal Home Loan Bank Board may prescribe; (4) permitting a Federal association to invest not more than 5 percent of its assets in real property and obligations or interests in obligations secured by first liens on real property located within an urban renewal area; (5) permitting a Federal association to invest up to 2 percent of its assets in a State corporation if the entire capital stock of the corporation is open to and issued only to savings and loan associations and federally chartered associations in that State; and (6) permitting nonfederally insured or guaranteed home mortgages with maturities of 30 years (now 25 years) to be accepted by a Federal home loan bank as collateral for an advance to its members.

Real estate loans by national banks

Sec. 808.—Amends section 24 of the Federal Reserve Act to liberalize limits on home loans made by national banks by permitting the loans to be in amounts up to 80 percent (now 75 percent) of the appraised value of the real estate offered as security and to have maturities of up to 30 years (now 25 years).

CORDON RULE

In the opinion of the committee, it is necessary to dispense with the requirements of subsection 4 of rule XXIX of the Standing Rules of the Senate in order to expedite the business of the Senate in connection with this report.



Calendar No. 1201

88TH CONGRESS
2D SESSION

S. 3049

[Report No. 1265]

IN THE SENATE OF THE UNITED STATES

JULY 29, 1964

Mr. SPARKMAN, from the Committee on Banking and Currency, reported the following bill; which was read twice and ordered to be placed on the calendar

A BILL

To extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Housing Act of 1964".

4 TITLE I—MORTGAGE INSURANCE PROGRAMS
5 ADDITIONAL RELIEF FOR HOME MORTGAGORS IN DEFAULT
6 DUE TO CIRCUMSTANCES BEYOND THEIR CONTROL

7 SEC. 101. (a) Section 204 (a) of the National Housing
8 Act is amended by striking out the fourth proviso and
9 inserting in lieu thereof the following: "*: And provided*
10 *further, That with respect to any mortgage covering a one-*

1 two-, three-, or four-family residence insured under this
2 Act, if the Commissioner finds, after notice of default, that
3 the default was due to circumstances beyond the control of
4 the mortgagor, he may, upon such terms and conditions as
5 he may prescribe, (1) approve the request of the mortgagee
6 for an extension of the time for the curing of the default and
7 of the time for commencing foreclosure proceedings or for
8 otherwise acquiring title to the mortgaged property to such
9 time as the Commissioner may determine is necessary and
10 desirable to enable the mortgagor to complete the mortgage
11 payments, including an extension of time beyond the stated
12 maturity of the mortgage, and in the event of a subsequent
13 foreclosure or acquisition of the property by other means,
14 the Commissioner is authorized to include in debentures an
15 amount equal to any unpaid mortgage interest, or (2) ap-
16 prove a modification of the terms of the mortgage for the
17 purpose of changing the amortization provisions by recast-
18 ing, over the remaining term of the mortgage or over such
19 longer period as may be approved by the Commissioner, the
20 total unpaid amount then due, as determined by the Com-
21 missioner, with the modification to become effective currently
22 or to become effective upon the termination of an agreed-
23 upon extension of the period for curing the default; and
24 the principal amount of the mortgage, as modified, shall be
25 considered to be the 'original principal obligation of the

1 mortgage' as that term is used in this Act for the purpose
2 of computing the total face value of the debentures to be
3 issued or the cash payment to be made by the Commissioner
4 to a mortgagee".

5 (b) Section 230 of such Act is amended by striking out
6 the first sentence and inserting in lieu thereof the following:
7 "Upon receiving notice of the default of any mortgage cover-
8 ing a one-, two-, three-, or four-family residence heretofore
9 or hereafter insured under this Act, the Commissioner, in his
10 discretion, and for the purpose of avoiding foreclosure of the
11 mortgage, and notwithstanding the fact that he has previ-
12 ously approved a request of the mortgagee for an extension
13 of the time for curing the defaulted mortgage and of the time
14 for commencing foreclosure proceedings or for otherwise
15 acquiring title to the mortgaged property, or has approved
16 a modification of the mortgage for the purpose of changing
17 the amortization provisions by recasting the unpaid balance,
18 may acquire the loan and security therefor upon payment of
19 the insurance benefits in an amount equal to the unpaid prin-
20 cipal balance of the loan plus any unpaid mortgage interest
21 plus reimbursement for such costs and attorney's fees as the
22 Commissioner finds were properly incurred in connection
23 with the defaulted mortgage and its assignment to the Com-
24 missioner, and for any proper advances theretofore made by
25 the mortgagee under the provisions of the mortgage. After

1 the acquisition of such mortgage by the Commissioner, the
2 mortgagee shall have no further rights, liabilities, or obliga-
3 tions with respect thereto.”

4 CORRECTION OF SUBSTANTIAL DEFECTS IN MORTGAGED
5 HOMES

6 SEC. 102. Title V of the National Housing Act is
7 amended by adding at the end thereof the following new
8 section:

9 “EXPENDITURES TO CORRECT OR COMPENSATE FOR
10 SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

11 “SEC. 517. (a) The Commissioner is authorized, with
12 respect to any property improved by a one- to four-family
13 dwelling approved for mortgage insurance prior to the begin-
14 ning of construction which he finds to have structural or other
15 major defects affecting the livability of the property, to make
16 expenditures for (1) correcting such defects, (2) paying the
17 claims of the owner of the property arising from such defects,
18 or (3) acquiring title to the property: *Provided*, That such
19 authority of the Commissioner shall exist only (A) if the
20 owner has requested assistance from the Commissioner not
21 later than four years (or such shorter time as the Commis-
22 sioner may prescribe) after insurance of the mortgage, and
23 (B) with respect to property encumbered by a mortgage
24 insured under this Act after or not more than three years
25 prior to the enactment of the Housing Act of 1964.

1 “(b) The Commissioner shall by regulations prescribe
2 the terms and conditions under which expenditures and pay-
3 ments may be made under the provisions of this section, and
4 his decisions regarding such expenditures or payments, and
5 the terms and conditions under which the same are approved
6 or disapproved, shall be final and conclusive and shall not be
7 subject to judicial review.”

8 HOME IMPROVEMENT LOANS OUTSIDE OF URBAN RE-
9 NEWAL AREAS

10 SEC. 103. Section 203 (k) of the National Housing
11 Act is amended by—

12 (1) striking out in clause (2) “economically
13 sound” and inserting in lieu thereof “an acceptable
14 risk”;

15 (2) striking out clause (4) and inserting in lieu
16 thereof the following: “(4) insurance benefits shall be
17 paid in cash out of the Section 203 Home Improvement
18 Account or in debentures executed in the name of such
19 Account.”; and

(3) striking out in the third sentence “Debentures issued with respect to loans insured under this subsection shall be issued” and inserting in lieu thereof “Insurance benefits paid with respect to loans insured under this subsection shall be paid”.

1 MORTGAGE INSURANCE FOR NONPROFIT NURSING HOMES

2 SEC. 104. (a) Section 232 (b) (1) of the National
3 Housing Act is amended by inserting after “proprietary
4 facility” the following: “or facility of a private nonprofit
5 corporation or association”.

6 (b) Section 232 (d) (4) of such Act is amended to
7 read as follows:

8 “(4) The Commissioner shall not insure any mort-
9 gage under this section unless he has received from the
10 Surgeon General of the United States a certification
11 (1) that the State agency, designated in accordance with
12 section 612 (a) (1) of the Public Health Service Act for
13 the State in which the proposed nursing home would
14 be located, has certified the need for such a nursing
15 home, (2) that there are in force in such State or
16 other political subdivision in which the proposed nursing
17 home would be located reasonable minimum standards
18 of licensure and methods of operation for nursing homes,
19 (3) that satisfactory assurances have been obtained
20 that such standards will be applied and enforced with
21 respect to any nursing home for which mortgage in-
22 surance is provided under this section located in such
23 State or other political subdivision, and (4) of the
24 amount of the Federal share, if any, of the cost of the

project with respect to which assistance under this section is sought.”

TITLE II—URBAN RENEWAL AND GROWTH

CODE ENFORCEMENT

SEC. 201. (a) Section 101 (c) of the Housing Act of 1949 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: “: *Provided further*, That commencing three years after the date of enactment of the Housing Act of 1964, no workable program shall be certified or re-certified unless (A) the locality has had in effect, for at least six months prior to such certification or re-certification, a minimum standards housing code, related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate by the Administrator, and (B) the Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with such housing code.”

(b) The first sentence of section 110 (c) of such Act is amended by inserting after “or rehabilitation or conservation in an urban renewal area,” the following: “or a program of code enforcement in an urban renewal area,”.

(c) Paragraph (5) of the second sentence of section 110 (c) of such Act is amended by (1) striking out “a program of” and inserting in lieu thereof “programs of code

1 enforcement or", and (2) adding before the semicolon at the
 2 end of such paragraph the following: ": *Provided*, That no
 3 program of code enforcement shall be included as part of an
 4 urban renewal project unless the locality shall agree to in-
 5 crease its total expenditures with respect to code enforcement,
 6 during the period such project is under contract for a loan or
 7 capital grant, by an amount equal to the required local grants-
 8 in-aid with respect to the code enforcement included as part
 9 of such project".

10 (d) Any contract for a capital grant under title I of the
 11 Housing Act of 1949, executed prior to the date of enact-
 12 ment of this Act, may be amended to incorporate the provi-
 13 sions of subsection (c) for costs incurred on or after such
 14 date.

15 LOAN CONTRACT FOR TWO OR MORE PROJECTS

16 SEC. 202. (a) Section 102 (a) of the Housing Act of
 17 1949 is amended by adding at the end thereof the following:
 18 "Notwithstanding any other provision of this title, the Ad-
 19 ministrator may make a temporary loan, as described in the
 20 first two sentences of this subsection, for two or more urban
 21 renewal projects being carried out by the same local public
 22 agency. The principal amount of any such loan which is
 23 outstanding at any one time shall not exceed the estimated
 24 expenditures to be made by the local public agency for such
 25 projects."

1 (b) Section 110 (g) of such Act is amended by strik-
 2 ing out in the first sentence thereof the words "for any
 3 project".

4 CAPITAL GRANT AUTHORIZATION

5 SEC. 203. Section 103 (b) of the Housing Act of 1949
 6 is amended by striking out "not to exceed \$4,000,000,000"
 7 and inserting in lieu thereof "not to exceed \$4,850,000,000".

8 FEASIBLE METHOD FOR RELOCATION OF INDIVIDUALS

9 SEC. 204. (a) Section 105 (c) of the Housing Act of
 10 1949 is amended by striking out "families", wherever that
 11 term appears, and inserting in lieu thereof "individuals and
 12 families".

13 (b) The requirement imposed by the amendment con-
 14 tained in subsection (a) of this section shall not be appli-
 15 cable to any project receiving Federal recognition prior to
 16 the date of enactment of this Act.

17 PROPERTY TO BE USED FOR HOUSING FOR MODERATE-

18 INCOME FAMILIES OR INDIVIDUALS

19 SEC. 205. Section 107 (b) of the Housing Act of 1949
 20 is amended by inserting after "families" the words "or
 21 individuals".

22 AMENDMENT OF DEFINITION OF "GOING FEDERAL RATE"

23 SEC. 206. Section 110 (g) of the Housing Act of 1949
 24 is amended by striking out the last sentence and inserting

1 in lieu thereof the following: "Any contract for a loan or
 2 advance, authorized by the Administrator after the date of
 3 enactment of the Housing Act of 1964, shall provide for a
 4 single interest rate which shall be applicable also to future
 5 amendments of the contract which provide additional funds
 6 thereunder, and shall further provide for a periodic revision
 7 of the interest rate on the balance outstanding or to be out-
 8 standing on such loan or advance based on the going
 9 Federal rate on the date of such revision: *Provided, That*
 10 any contract for a loan or advance authorized prior to the date
 11 of enactment of the Housing Act of 1964 shall be amended
 12 (with the first amendment to such contract authorized after
 13 the date of enactment of such Act) to provide for such a
 14 single interest rate (based on the going Federal rate at the
 15 time such amendment is authorized) and for periodic re-
 16 vision thereof."

17 PROJECTS INVOLVING THE ACQUISITION AND DEVELOP-
 18 MENT OF AIR RIGHTS SITES

19 SEC. 207. (a) Section 110 (c) (1) of the Housing Act
 20 of 1949 is amended by—

21 (1) inserting a new clause (iv) before the proviso
 22 to read as follows: ", or (iv) air rights in an area con-
 23 sisting principally of land in highways, railway or sub-
 24 way tracks, bridge or tunnel entrances, or other similar

1 facilities which have a blighting influence on the sur-
2 rounding area and over which air rights sites are to be
3 developed for the elimination of such blighting influences
4 and for the provision of housing (and related facilities
5 and uses) for families and individuals of low- or mod-
6 erate-income"; and

7 (2) striking out in the proviso "an open land proj-
8 ect" and inserting in lieu thereof "projects under (iii)
9 and (iv) hereof".

10 (b) Section 110 (c) of such Act is further amended
11 by—

12 (1) striking out "and" at the end of paragraph
13 (6), and redesignating paragraph (7) as paragraph
14 (8); and

15 (2) inserting after paragraph (6) a new para-
16 graph as follows:

17 "(7) construction of foundations and platforms
18 necessary for the provision on air rights sites of low- or
19 moderate-income housing and related facilities and uses;
20 and".

21 (c) Section 110 (d) of such Act is amended by striking
22 out "project)" and inserting in lieu thereof "project, or of
23 air rights over streets, alleys, and other public rights-of-
24 way)".

1 RELOCATION PAYMENTS TO DISPLACED PERSONS AND
2 BUSINESSES

3 SEC. 208. (a) Title I of the Housing Act of 1949 is
4 amended by adding at the end thereof the following new
5 section:

6 "RELOCATION

7 "SEC. 114. (a) Notwithstanding any other provision
8 of this title, an urban renewal project may include the mak-
9 ing of payments as prescribed in this section to displaced
10 families, individuals, business concerns and nonprofit orga-
11 nizations; and any contract for financial assistance under this
12 title shall provide that the capital grant otherwise payable
13 for the project shall be increased by an amount equal to such
14 payments and that no part of the amount of such payments
15 shall be required to be contributed as part of the local grant-
16 in-aid. As used in this section, 'displaced' refers to dis-
17 placement from an urban renewal area made necessary by
18 (1) the acquisition of real property by a local public agency
19 or by any other public body, (2) code enforcement activi-
20 ties undertaken in connection with an urban renewal proj-
21 ect, or (3) a program of voluntary rehabilitation of build-
22 ings or other improvements in accordance with an urban
23 renewal plan.

24 "(b) A local public agency may pay the following to
25 any displaced business concern or nonprofit organization:

1 “(1) its total certified actual moving expenses and,
2 in addition, an amount not to exceed \$3,000 for any
3 actual direct losses of property except goodwill or profit:
4 *Provided*, That payments shall be made only for such
5 certified actual moving expenses and such actual direct
6 losses of property which are incurred on and after
7 August 7, 1956, and for which reimbursement or com-
8 pensation is not otherwise made; and

9 “(2) additional amounts of (i) \$1,000 upon dis-
10 placement of a private business concern, and (ii)
11 \$1,500 if such concern is not reestablished within one
12 year following displacement: *Provided*, That payments
13 may be made under this clause (2) only to a business
14 concern with average annual earnings of less than
15 \$10,000 per year which (A) was doing business in
16 a location in the urban renewal area on the date of
17 local approval of the urban renewal plan (or of acquisi-
18 tion of real property under the third sentence of section
19 102 (a)). (B) is displaced on or after January 27,
20 1964, and (C) is not part of an enterprise having
21 establishments outside the urban renewal area.

22 Notwithstanding the provisions of clause (1) of the pre-
23 ceding sentence, a business concern which is not being dis-
24 placed from an urban renewal area shall be eligible for pay-
25 ments under such clause (1) of its certified actual moving

1 expenses with respect to its outdoor advertising displays
2 being removed from the urban renewal area in the same
3 manner as though such business concern were being
4 displaced.

5 “(c) (1) A local public agency may pay to any dis-
6 placed individual or family its reasonable and necessary mov-
7 ing expenses and any actual direct losses of property (which
8 are incurred on and after August 7, 1956, and for which
9 reimbursement or compensation is not otherwise made) :
10 *Provided*, That such payments shall not exceed \$200: *And*
11 *provided further*, That the Administrator may authorize pay-
12 ment to individuals and families of fixed amounts (not to
13 exceed \$200 in any case) in lieu of their respective reason-
14 able and necessary moving expenses and actual direct losses
15 of property.

16 “(2) A local public agency may pay (in addition to
17 any amount under paragraph (1) of this subsection) to any
18 displaced family, or to any displaced individual sixty-two
19 years of age or over, a monthly payment, for not to exceed
20 twelve months, equal to one-twelfth of the amount which,
21 when added to 20 per centum of the annual income of such
22 displaced individual or family at the time of its displace-
23 ment, equals the average annual rental required for a
24 decent, safe, and sanitary dwelling of modest standards
25 adequate in size to accommodate the displaced individual
26 or family (in the urban renewal area or in other areas not

1 generally less desirable in regard to public utilities and
2 public and commercial facilities): *Provided*, That this
3 monthly payment shall be available only to such individual
4 or family who is displaced on or after January 27, 1964,
5 and prior to October 1, 1965, and whose income is below
6 the limits established to determine eligibility for admission
7 to housing constructed or to be constructed in the locality
8 under the provisions of section 221 (d) (3) of the National
9 Housing Act, and such payment shall not exceed the esti-
10 mated proportionate amount, attributable to a dwelling unit
11 of comparable size and type, of the fixed annual contribution
12 for the most recently constructed low-rent housing project
13 assisted under the United States Housing Act of 1937 in
14 the same locality or the nearest locality of comparable size
15 and in which there exists comparable cost levels: *Provided*
16 *further*, That such payment shall be made only to such
17 individual or family who is unable to secure a dwelling
18 unit in a low-rent housing project assisted under the United
19 States Housing Act of 1937, or under a State or local pro-
20 gram found by the Administrator to have the same general
21 purposes as the Federal program under such Act.

22 “(d) The Administrator is authorized to establish such
23 rules and regulations as he may deem appropriate in carry-
24 ing out the provisions of this section and may provide in
25 any contract with a local public agency, or in regulations

1 promulgated by the Administrator, that determinations of
2 any duly designated officer or agency as to eligibility for
3 and the amount of relocation assistance authorized by this
4 section shall be final and conclusive for any purposes and
5 not subject to redetermination by any court or any other
6 officer.

7 “(e) If a family or individual receiving payments under
8 subsection (c) (2) of this section is a displaced family or
9 individual for the purposes of any priority or preference in
10 admission to housing assisted under the United States Hous-
11 ing Act of 1937, or section 221 of the National Housing Act,
12 the individual or family, if otherwise eligible for admission
13 to such housing, shall retain such priority or preference at
14 the end of the period for which such payments are made.”

15 (b) Any contract with a local public agency which was
16 executed under title I of the Housing Act of 1949 before
17 the date of enactment of this Act may be amended to pro-
18 vide for payments authorized by this section.

19 (c) Section 106 of such Act is amended by striking out
20 subsection (f).

21 (d) (1) Notwithstanding the provisions of titles I, IV,
22 X, XIV, and XVI of the Social Security Act, an approved
23 State plan under any such title shall provide that payments

1 made to or on behalf of any person pursuant to section
2 114 (c) of the Housing Act of 1949, or section 15 (8) of
3 the United States Housing Act of 1937, shall not be regarded
4 as income or resources of such person or any other person
5 or persons in determining his or their need under such
6 approved State plan.

7 (2) No funds to which a State is otherwise entitled
8 under title I, IV, X, XIV, or XVI of the Social Security
9 Act for any period before July 1, 1965, shall be withheld
10 by reason of any action taken pursuant to a State statute
11 which prevents such State from complying with the require-
12 ments of paragraph (1) of this subsection.

13 URBAN RENEWAL DEMONSTRATION PROGRAM

14 SEC. 209. Section 314 of the Housing Act of 1954 is
15 amended by—

16 (1) inserting “(a)” after “314.”

17 (2) inserting before the period at the end of the
18 second sentence the following: “: *Provided*, That such
19 a grant may cover the full cost of writing and publishing
20 reports on such activities and undertakings”;

21 (3) inserting “activities and” before “undertak-
22 ings” in the third sentence; and

23 (4) striking out the last two sentences and insert-

1 ing at the end of the section two new subsections as
2 follows:

3 “(b) The Administrator is further authorized to pay
4 for the cost of (1) writing and publishing reports on activi-
5 ties and undertakings financed by grants made under this
6 section, as well as reports on similar activities and under-
7 takings not so financed, which are of significant value in
8 furthering the purposes of this section, and (2) writing and
9 publishing summaries and other informational material on
10 such reports.

11 “(c) The aggregate amount of grants made under sub-
12 section (a) and costs incurred pursuant to subsection (b)
13 shall not exceed \$10,000,000, and shall be payable from
14 the grant funds authorized by section 103 (b) of the Housing
15 Act of 1949. The Administrator may make advance or
16 progress payments on account of any contract entered into
17 pursuant to this section, notwithstanding the provisions of
18 section 3648 of the Revised Statutes.”

19 URBAN AND REGIONAL PLANNING GRANTS

20 SEC. 210. (a) Section 701 (a) of the Housing Act of
21 1954 is amended by striking out “resulting from rapid urban-
22 ization” in clause (B) of paragraph (1).

1 (b) Section 701 (a) of such Act is further amended
2 by—

3 (1) striking out “and” at the end of paragraph
4 (4) ;

5 (2) striking out the period at the end of paragraph
6 (5) and inserting in lieu thereof a semicolon; and

7 (3) adding a new paragraph after paragraph (5)
8 as follows:

9 “(6) metropolitan and regional planning agen-
10 cies, with the approval of the State planning agency
11 or (in States where no such planning agency exists)
12 of the Governor of the State, for the provision of
13 planning assistance within the metropolitan area or
14 region to cities, other municipalities, counties,
15 groups of adjacent communities, or Indian reserva-
16 tions described in clauses (A) , (B) , (C) , and (D)
17 of paragraph (1) of this subsection; and”.

18 (c) Section 701 (a) of such Act is further amended by
19 striking out “(a)” after “section 5” in paragraph (3).

20 (d) Section 701 (b) of such Act is amended by striking
21 out the proviso in the first sentence and inserting in lieu
22 thereof “: *Provided*, That such a grant may be in an amount

1 not exceeding three-fourths of such estimated cost for plan-
2 ning being carried out for a city, other municipality, county,
3 group of adjacent communities, or Indian reservation in an
4 area designated by the Secretary of Commerce as a re-
5 development area under section 5 of the Area Redevelopment
6 Act”.

7 ELIGIBILITY OF COUNTIES FOR PLANNING ASSISTANCE

8 SEC. 211. Section 701 (a) of the Housing Act of 1954
9 is amended by striking out clause (A) of paragraph (1)
10 and inserting in lieu thereof the following: “(A) cities and
11 other municipalities having a population of less than fifty
12 thousand according to the latest decennial census, and
13 counties without regard to population: *Provided*, That grants
14 shall be made under this paragraph for planning assistance
15 to counties having a population of fifty thousand or more,
16 according to the latest decennial census, which are within
17 metropolitan areas, only if (i) the Administrator finds that
18 planning and plans for such county will be coordinated
19 with the program of comprehensive planning, if any, which
20 is being carried out for the metropolitan area of which the
21 county is a part, and (ii) the aggregate amount of such
22 grants made, which are subject to this proviso, does not
23 exceed 15 per centum of the aggregate amount appropriated,
24 after the date of enactment of the Housing Act of 1964, for
25 the purposes of this section.”.

1 PLANNING PROBLEMS RESULTING FROM CHAMIZAL TREATY
2 OF 1963

3 SEC. 212. Notwithstanding the provisions of section 701
4 of the Housing Act of 1954 with respect to the eligibility of a
5 city for a grant thereunder, the Housing and Home Finance
6 Administrator is authorized to make planning grants to the
7 city of El Paso, Texas, for the purpose of assisting it to solve
8 those urban planning problems that have resulted or are
9 expected to result from the Chamizal Treaty of 1963 between
10 the United States of America and the Republic of Mexico.
11 Any such grants shall be subject to all other conditions and
12 requirements contained in such section 701.

13 PLANNING GRANTS FOR INDIAN RESERVATIONS

14 SEC. 213. (a) Section 701 (a) of the Housing Act of
15 1954 is amended by—

16 (1) striking out “and” at the end of clause (B) of
17 paragraph (1) ;

18 (2) inserting “, and (D) Indian reservations” be-
19 fore the semicolon at the end of paragraph (1) ; and

20 (3) inserting a new paragraph after paragraph (6)
21 (added by section 210 (b)) as follows:

22 “(7) tribal planning councils or other tribal
23 bodies designated by the Secretary of the Interior
24 for planning for an Indian reservation to which no

1 State planning agency or other agency or instru-
2 mentality is empowered to provide planning assist-
3 ance under clause (D) of paragraph (1) above.”

4 (b) Section 701 (d) of such Act is amended by—

5 (1) striking out “and urban regions” in the first
6 sentence and inserting in lieu thereof “urban regions,
7 and Indian reservations”; and

8 (2) inserting after “instrumentalities” in the second
9 sentence the following: “, and to Indian tribal bodies,”.

10 PLANNING GRANT AUTHORIZATION

11 SEC. 214. Section 701 (b) of the Housing Act of 1954
12 is amended by striking out “\$75,000,000” in the last sen-
13 tence and inserting in lieu thereof “\$105,000,000”.

14 ELIGIBILITY OF CERTAIN LOCAL GRANTS-IN-AID

15 SEC. 215. Notwithstanding the provisions of section
16 112 (b) of the Housing Act of 1949, expenditures made
17 by Saint Francis Hospital, Peoria, Illinois, for the pur-
18 chase of two parcels of land on or about June 25 and July
19 28, 1956, for a price of not more than \$82,980, shall if
20 otherwise eligible be counted as local grants-in-aid to the
21 Peoria “Medical Center” urban renewal project (Illinois
22 R-61) in accordance with the remaining provisions of title
23 I of that Act.

1 NONRESIDENTIAL PROJECTS IN THE DISTRICT OF COLUMBIA

2 SEC. 216. Section 20 (i) of the District of Columbia
3 Redevelopment Act of 1945 is amended by striking out the
4 first parenthetical phrase and inserting in lieu thereof the fol-
5 lowing: “(as such projects are now or may hereafter be de-
6 fined in title I of the Housing Act of 1949, including but not
7 limited to projects authorized without regard to the residen-
8 tial or nonresidential character or re-use of the urban re-
9 newal area) ”.

10 TITLE III—HOUSING FOR LOW-INCOME FAMILIES

11 ELIGIBILITY OF DISPLACED INDIVIDUALS

12 SEC. 301. (a) Section 2 (2) of the United States Hous-
13 ing Act of 1937 is amended to read as follows:

14 “(2) The term ‘families of low income’ means families
15 (including elderly and displaced families) who are in the
16 lowest income group and who cannot afford to pay enough
17 to cause private enterprise in their locality or metropolitan
18 area to build an adequate supply of decent, safe, and sanitary
19 dwellings for their use. The term ‘families’ includes single
20 persons only in the case of elderly families, displaced fami-
21 lies, and the remaining members of tenant families. The
22 term ‘elderly families’ means families whose heads (or their
23 spouses), or whose sole members, have attained the age at

1 which an individual may elect to receive an old age benefit
 2 under title II of the Social Security Act, or who are under
 3 a disability as defined in section 223 of that Act. The term
 4 'displaced families' means families displaced by urban re-
 5 newal or other governmental action."

6 (b) Section 10 (g) (2) of such Act is amended by—

7 (1) striking out "those displaced by urban renewal
 8 or other governmental action" and inserting in lieu
 9 thereof "displaced families"; and

10 (2) striking out "; and" at the end thereof and
 11 inserting in lieu thereof the following: " : *Provided*,
 12 That in establishing such admission policies the public
 13 housing agency shall accord to families of low income
 14 such priority over single persons as it determines to be
 15 necessary to avoid undue hardship; and".

16 (c) Section 15 (7) (b) of such Act is amended by
 17 striking out "family displaced by urban renewal or other
 18 governmental action" and inserting in lieu thereof "dis-
 19 placed family".

20 ADDITIONAL SUBSIDY FOR URBAN RENEWAL AND

21 LOW-RENT HOUSING DISPLACEES

22 SEC. 302. The first proviso in section 10 (a) of the
 23 United States Housing Act of 1937 is amended to read as
 24 follows: " : *Provided*, That the Authority may, in addition

1 to the payments guaranteed under the contract, pay not to
2 exceed \$120 per annum per dwelling unit occupied by an
3 elderly family, or a displaced family if such family was dis-
4 placed by an urban renewal or low-rent housing project on
5 or after January 27, 1964, on the last day of the project
6 fiscal year where such amount, in the determination of the
7 Authority, was necessary to enable the public housing
8 agency to lease the dwelling unit to an elderly or displaced
9 family at a rental it could afford and to operate the project
10 on a solvent basis, and, in the case of displaced families, if
11 and to the extent that the average or estimated average
12 rental for units so occupied by such families was less than
13 the rental which the Authority determines, on the basis of
14 the average or estimated average project rentals, would have
15 been established in leasing the units to families which were
16 neither elderly nor similarly displaced”.

17 CERTIFICATION OF EQUIVALENT ELIMINATION

18 SEC. 303. The fourth sentence of section 10 (a) of the
19 United States Housing Act of 1937 is amended by
20 inserting immediately before the comma after the word
21 “elimination”, where the word first appears, the following:
22 “, as certified by the local governing body”.

1 INCREASE IN AUTHORIZATION FOR ANNUAL
2 CONTRIBUTIONS

3 SEC. 304. Section 10 (e) of the United States Housing
4 Act of 1937 is amended by striking out “\$336,000,000”
5 and inserting in lieu thereof “\$372,000,000”.

6 RELOCATION OF FAMILIES AND INDIVIDUALS DISPLACED
7 FROM PROJECT SITES

8 SEC. 305. (a) Section 15 (7) (b) of the United States
9 Housing Act of 1937 is amended by striking out “and” be-
10 fore “(ii)”, and by striking out the period at the end
11 thereof and inserting in lieu thereof a semicolon and the
12 following: “and (iii) unless the public housing agency has
13 demonstrated to the satisfaction of the Authority that there
14 is a feasible method for the temporary relocation of the in-
15 dividuals and families displaced from the project site, and
16 there are, or are being provided, in the project or in other
17 areas not generally less desirable in regard to public utilities
18 and public and commercial facilities and at rents or prices
19 within the financial means of the individuals and families dis-
20 placed from the project site, decent, safe, and sanitary dwell-
21 ings equal in number to the number of and available to such
22 displaced individuals and families and reasonably accessible
23 to their places of employment.”

(b) Subsection (a) of this section shall not be applicable
with respect to any project for which an application for pre-

1 liminary loan has been approved by the local governing
2 body prior to the date of enactment of this Act.

3 RELOCATION PAYMENTS

4 SEC. 306. Section 15 of the United States Housing Act
5 of 1937 is amended by adding at the end thereof a new para-
6 graph as follows:

7 “(8) In order to permit public housing agencies to
8 make relocation payments, the Authority may authorize the
9 cost of such payments to be included with the development
10 or acquisition cost of any project for purposes of determining
11 the amount of loans and annual contributions authorized to
12 be made with respect to such project under sections 9 and
13 10 of this Act, but the cost of such payments shall be sep-
14 arately stated as relocation costs and shall be excluded from
15 any amounts on which the computation of annual contri-
16 butions is based for purposes of determining the amount of
17 local contributions required with respect to such project
18 under section 10 (h) of this Act. As used in this paragraph,
19 the term ‘relocation payments’ means payments which (A)
20 are made to individuals, families, business concerns, or non-
21 profit organizations displaced on or after January 27, 1964,
22 from a low-rent housing project site as a result of the acquisi-
23 tions of real property by a public housing agency, (B) are
24 not otherwise authorized under any Federal law, and (C)
25 are made only on such terms and conditions, and sub-

ject to such limitations, as are authorized (as of the time any such payment is approved) under sections 114 (b) and (c) of the Housing Act of 1949 for relocation payments made to individuals, families, business concerns, and non-profit organizations pursuant to such sections: *Provided*, That the provisions of section 114 (e) of the Housing Act of 1949 shall be applicable with respect to families and individuals receiving relocation payments pursuant to this paragraph if such payments are of the kind described in section 114 (c) (2) of such Act.”

LOW-INCOME HOUSING DEMONSTRATION PROGRAM

AUTHORIZATION

SEC. 307. Section 207 of the Housing Act of 1961 is amended by striking out “\$5,000,000” and inserting in lieu thereof “\$10,000,000”.

TITLE IV—COMMUNITY FACILITIES

PUBLIC FACILITY LOANS

SEC. 401. (a) Section 202 (a) of the Housing Amendments of 1955 is amended by striking out in clause (1) of the first sentence “instrumentalities of States” and inserting in lieu thereof “instrumentalities of one or more States”, and by striking out “in the same State” and inserting in lieu thereof “of one or more States”.

(b) Section 202 (b) (4) of such Amendments is amended by—

(1) striking out “the second sentence of section 5 (a) of the Area Redevelopment Act” and inserting in lieu thereof “section 5 of the Area Redevelopment Act”; and

(2) inserting “(A)” before “to any municipality” in the first sentence, and by striking out everything following the phrase “most recent decennial census, or” in that sentence and inserting in lieu thereof the following: “; or (B) to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States, unless each municipality, political subdivision, or unincorporated area to be served by the specific public work or facility for which assistance is sought under this section has a population less than the applicable figure under clause (A) according to such census.”

ADVANCE ACQUISITION OF LAND

SEC. 402. (a) Section 202 of the Housing Amendments of 1955 is further amended by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively, and by inserting after subsection (a) the following new subsection:

“(b) In order to encourage and assist in the timely acquisition of open or predominantly undeveloped land planned to be utilized in connection with the future construc-

tion of public works and facilities, the Administrator is authorized to purchase the securities and obligations of, or make loans to, municipalities and other political subdivisions and instrumentalities of one or more States (including public agencies and instrumentalities of one or more municipalities or other political subdivisions of one or more States), and Indian tribes to finance the acquisition of a fee simple estate or other interest in such land. A loan under this subsection (1) may be in an amount which shall not exceed the total cost, as approved by the Administrator, of acquiring such interest, (2) shall be reasonably secured, (3) shall be repaid in such manner and within such period, not exceeding fifteen years, as may be determined by the Administrator, and (4) shall bear interest at the rate prescribed for financial assistance extended under subsection (a) of this section. The Administrator in his discretion may provide for the postponement of the payment of principal and interest on any financial assistance extended under this subsection: *Provided*, That any interest payment so deferred shall accrue and be compounded semiannually, or the cost of deferring interest payments shall be otherwise recovered. The Administrator shall not extend any financial assistance under this subsection for the acquisition of land unless he finds that the public work or facility for which such land is to be utilized is planned to be constructed or initiated

1 within a reasonable period of time and that construction of
2 such public work or facility will contribute to economy,
3 efficiency, and the comprehensively planned development
4 of the area. The Administrator may set such further terms
5 and conditions for assistance under this subsection as he
6 deems to be desirable.”

7 (b) Section 202 (f) of such Amendments (as redesignig-
8 nated by subsection (a) of this section) is amended by
9 striking out “subsections (b) and (c)” and inserting in
10 lieu thereof “subsections (c) and (d)”.

11 (c) Section 203 (a) of such Amendments is amended
12 by inserting after “section 202 (a)” the following: “and
13 pursuant to section 202 (b)”.

14 ADVANCES FOR PUBLIC WORKS PLANNING

15 SEC. 403. (a) Section 702 (e) of the Housing Act of
16 1954 is amended to read as follows:

17 “(e) In order to provide moneys for advances in accord-
18 ance with this section, the Administrator is hereby authorized
19 to establish a revolving fund which shall comprise (1) all
20 moneys heretofore or hereafter appropriated pursuant to this
21 section, together with all repayments and other receipts
22 heretofore or hereafter received in connection with advances
23 made under this section, and (2) all repayments and other
24 receipts received after June 30, 1964, and all advances
25 and claims outstanding as of such date in connection with

1 advances made pursuant to title V of the War Mobilization
2 and Reconversion Act of 1944 (58 Stat. 791), and the
3 Act of October 13, 1949 (63 Stat. 841-2). There are
4 hereby authorized to be appropriated to such revolving fund,
5 in addition to amounts authorized to be appropriated for
6 this section prior to the date of enactment of the Housing
7 Act of 1964, such sums, not to exceed \$20,000,000, as
8 may be necessary to carry out the purposes of this section.”

9 (b) Section 702 of such Act is amended by adding at
10 the end thereof the following new subsection:

11 “(h) (1) Notwithstanding any other provision of law,
12 if a public agency undertakes to construct only a portion of
13 a public work planned with an advance under this section,
14 title V of the War Mobilization and Reconversion Act of
15 1944, or the Act of October 13, 1949, it shall repay such
16 proportionate amount of the advance relating to the public
17 work as the Administrator determines to be equitable.

18 “(2) The Administrator is authorized to terminate,
19 upon such terms and conditions as he shall deem equitable,
20 all or a portion of the liability for repayment of any advance
21 made pursuant to this section, title V of the War Mobiliza-
22 tion and Reconversion Act of 1944, or the Act of October 13,

1 1949. Whenever the Administrator determines that there is
2 no reasonable likelihood that the public work, or a portion
3 of the public work, planned with such advance will be con-
4 structed, he may terminate the agreement for the advance.
5 Such determination shall be conclusive when based on
6 standards prescribed by regulations to be issued by the
7 Administrator.”

8 (c) Section 702 of such Act is amended by—

9 (1) striking out in subsection (a) “public agen-
10 cies”, wherever that term appears, and inserting in lieu
11 thereof “public agencies and Indian tribes”;

12 (2) striking out in clause (3) of subsection (b)
13 “public agency” and inserting in lieu thereof “public
14 agency or Indian tribe”;

15 (3) striking out in subsection (c) “public agency”,
16 wherever that term appears, and inserting in lieu thereof
17 “public agency or Indian tribe”, and by striking out “by
18 such agency” and inserting in lieu thereof “by such
19 agency or tribe”; and

20 (4) striking out in subsection (c) the following:
21 “That if the public agency undertakes to construct only
22 a portion of a planned public work it shall repay such

1 proportionate amount of the advance relating to the pub-
 2 lic work as the Administrator determines to be equita-
 3 ble: *And provided further,*”.

4 (d) Section 702 (b) of such Act is amended by strik-
 5 ing out the last sentence thereof.

6 TITLE V—MORTGAGE INSURANCE

7 PROCEDURAL AMENDMENTS

8 TIME LIMIT ON FHA RECOUPMENT OF TITLE I INSURANCE

9 PAYMENTS

10 SEC. 501. Section 2 (g) of the National Housing Act is
 11 amended by striking out “after December 31, 1957,”.

12 OPTIONAL CASH PAYMENT OF INSURANCE BENEFITS

13 SEC. 502. Title V of the National Housing Act is
 14 amended by inserting after section 517 (added by section
 15 102 of this Act) a new section as follows:

16 “OPTIONAL CASH PAYMENT OF INSURANCE BENEFITS

17 “SEC. 518. Notwithstanding any other provision of
 18 this Act with respect to the payment of insurance bene-
 19 fits, the Commissioner is authorized, in his discretion, to pay
 20 in cash or in debentures, on the basis of regulations to be
 21 issued from time to time, an insurance claim or any part
 22 thereof which is paid, on or after the date of enactment of
 23 the Housing Act of 1964, on a mortgage or a loan which
 24 was insured under any section of this Act either before or
 25 after such date. If payment is made in cash, it shall be in

1 an amount equivalent to the face amount of the debentures
2 that would otherwise be issued plus an amount equivalent to
3 the interest which the debentures would have earned, com-
4 puted to a date to be established pursuant to regulations
5 issued by the Commissioner.”

6 LOW-COST HOUSING IN OUTLYING AREAS

7 SEC. 503. Section 203 (i) of the National Housing
8 Act is amended by striking out “\$9,000” and inserting in
9 lieu thereof “\$11,000”.

10 CHANGES IN FHA INSURANCE BENEFITS AND

11 SIMPLIFICATION OF PAYMENT PROCEDURES

12 SEC. 504. (a) Section 204 of the National Housing Act
13 is amended by—

14 (1) striking out in the third sentence of subsec-
15 tion (a) the words “insurance on the mortgaged prop-
16 erty, and any mortgage insurance premiums paid after
17 either of such dates” and inserting in lieu thereof the
18 following: “charges for the administration, operation,
19 maintenance and repair of community-owned property
20 or the maintenance and repair of the mortgaged prop-
21 erty, the obligation for which arises out of a covenant
22 filed for record and approved by the Commissioner prior
23 to the insurance of the mortgage, insurance on the mort-
24 gaged property, and any mortgage insurance premiums”;

25 (2) inserting after the colon following the second

1 proviso of subsection (a) two additional provisos as
2 follows: "*And provided further*, That with respect to a
3 mortgage accepted for insurance pursuant to a commit-
4 ment issued on or after the date of enactment of the
5 Housing Act of 1964, the Commissioner may include
6 in debentures or in the cash payment an amount not
7 to exceed the foreclosure, acquisition, and conveyance
8 costs actually paid by the mortgagee and approved by
9 the Commissioner: *And provided further*, That with
10 respect to a mortgage accepted for insurance pursuant to
11 a commitment issued prior to the date of enactment of
12 the Housing Act of 1964, the Commissioner may, with
13 the consent of the mortgagee (in lieu of issuing a cer-
14 tificate of claim as provided in subsection (e)), in-
15 clude in debentures or in the cash payment, in addition
16 to amounts otherwise allowed for such costs, an amount
17 not to exceed one-third of the total foreclosure, acqui-
18 sition, and conveyance costs actually paid by the mort-
19 gagee and approved by the Commissioner, but in no
20 event may the total allowance for such costs exceed the
21 amount actually paid by the mortgagee:";

22 (3) striking out "and the payment of insurance
23 premiums" in the third proviso in subsection (a) (as
24 numbered prior to the amendment made by paragraph

(2)), and by inserting before the colon at the end of such proviso the following: “: *And provided further,* That where the claim is paid in cash there shall be included in the cash payment an amount equivalent to the compensation for loss of debenture interest that would be included in computing debentures if such claim were being paid in debentures”;

(4) striking out “\$50” in the second sentence of subsection (c) and inserting in lieu thereof “\$350”;

(5) striking out in the second sentence of subsection (d) “, except that debentures issued pursuant to the provisions of section 220 (f), section 221 (g), and section 233 may be dated as of the date the mortgage is assigned (or the property is conveyed) to the Commissioner, and” and inserting in lieu thereof “: *Provided,* That debentures issued pursuant to claims for insurance filed on or after the date of enactment of the Housing Act of 1964 shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures”;

(6) inserting “(1)” after “(e)” in subsection (e); striking out “The certificate” in such subsection

1 and inserting in lieu thereof "Subject to paragraph (2),
2 the certificate"; and adding at the end of such subsec-
3 tion a new paragraph as follows:

4 “(2) A certificate of claim shall not be issued and the
5 provisions of paragraph (1) of this subsection shall not be
6 applicable in the case of a mortgage accepted for insurance
7 pursuant to a commitment issued on or after the date of
8 enactment of the Housing Act of 1964.”;

9 (7) striking out the first paragraph of subsection
10 (f) and inserting in lieu thereof the following:

11 “(f) (1) If, after deducting (in such manner and
12 amount as the Commissioner shall determine to be equitable
13 and in accordance with sound accounting practice) the ex-
14 penses incurred by the Commissioner, the net amount
15 realized from any property conveyed to the Commissioner
16 under this section and the claims assigned therewith ex-
17 ceed the face value of the debentures issued and the cash
18 paid in exchange for such property plus all interest paid on
19 such debentures, such excess shall be divided as follows.”;

20 (8) redesignating the second paragraph of subsec-
21 tion (f) as paragraph (i), and striking out “207; and”
22 at the end of the paragraph and inserting in lieu thereof
23 the following: “207: *Provided*, That on and after the
24 date of enactment of the Housing Act of 1964, any
25 excess remaining after payment to the holder of the full

amount of the certificate of claim, together with the accrued interest increment thereon, shall be retained by the Commissioner and credited to the applicable insurance fund; and”;

(9) redesignating the third paragraph of subsection (f) as paragraph (ii) ;

(10) designating the last paragraph of subsection (f) as paragraph (2) and inserting the following before the period at the end thereof: “: *Provided*, That the settlement authority created by the Housing Amendments of 1955 shall be terminated with respect to any certificates of claim outstanding as of the date of enactment of the Housing Act of 1964”; and

(11) inserting at the end of subsection (f) a new paragraph as follows:

“(3) With the consent of the holder thereof, the Commissioner is authorized, without awaiting the final liquidation of the Commissioner’s interest in the property, to settle any certificate of claim issued pursuant to subsection (e), with respect to which settlement had not been effected prior to the date of enactment of the Housing Act of 1964, by making payment in cash to the holder thereof of such amount not exceeding the face amount of the certificate of claim, together with the accrued interest thereon, as the Commissioner may consider appropriate: *Provided*, That in any case where the

1 certificate of claim is settled in accordance with the provisions
2 of this paragraph, any amounts realized after the date of
3 enactment of the Housing Act of 1964, in the liquidation of
4 the Commissioner's interest in the property, shall be retained
5 by the Commissioner and credited to the applicable insurance
6 fund."

7 (b) Section 207 (g) of such Act is amended by adding
8 at the end thereof the following: "Notwithstanding any
9 other provision of this Act, upon receipt, after the date of
10 enactment of the Housing Act of 1964, of an application for
11 insurance benefits on a mortgage insured under this section,
12 the Commissioner may terminate the mortgagee's obligation
13 to pay premium charges on the mortgage."

14 (c) (1) Sections 203 (k), 220 (f) (3), 220 (h) (6),
15 and 233 (g) of such Act are each amended by adding at
16 the end thereof the following: "If the insurance payment
17 is made in cash, there shall be added to such payment an
18 amount equivalent to the interest which the debentures
19 would have earned, computed to a date to be established
20 pursuant to regulations issued by the Commissioner."

21 (2) Section 221 (g) (3) of such Act is amended by
22 striking out "; or" at the end thereof and inserting in lieu
23 thereof a period and the following: "If the insurance is paid
24 in cash, there shall be added to such payment an amount
25 equivalent to the interest which the debentures would have

1 earned, computed to a date to be established pursuant to
2 regulations issued by the Commissioner.”

3 (d) Section 604 of the National Housing Act is
4 amended by—

5 (1) inserting after the colon following the first pro-
6 viso in subsection (a) an additional proviso as follows:
7 “*Provided further*, That with respect to any debentures
8 issued on or after the date of enactment of the Housing
9 Act of 1964, the Commissioner may, with the consent
10 of the mortgagee (in lieu of issuing a certificate of claim
11 as provided in subsection (e)), include in debentures, in
12 addition to amounts otherwise allowed for such costs, an
13 amount not to exceed one-third of the total foreclosure,
14 acquisition, and conveyance costs actually paid by the
15 mortgagee and approved by the Commissioner, but in
16 no event may the total allowance for such costs exceed
17 the amount actually paid by the mortgagee:”;

18 (2) striking out “\$50” in the second sentence of
19 subsection (c) and inserting in lieu thereof “\$350”;

20 (3) striking out “default, and” in the second
21 sentence of subsection (d) and inserting in lieu thereof
22 the following: “default, except that debentures issued
23 pursuant to claims for insurance filed on or after the
24 date of enactment of the Housing Act of 1964, shall be

1 dated as of the date of default or as of such later date
2 as the Commissioner, in his discretion, may establish
3 by regulation. The debentures”;

4 (4) striking out the first paragraph of subsection
5 (f) and inserting in lieu thereof the following:

6 “(f) (1) If, after deducting (in such manner and
7 amount as the Commissioner shall determine to be equitable
8 and in accordance with sound accounting practice) the ex-
9 penses incurred by the Commissioner, the net amount real-
10 ized from any property conveyed to the Commissioner under
11 this section and the claims assigned therewith exceed the
12 face value of the debentures issued and the cash paid in
13 exchange for such property plus all interest paid on such
14 debentures, such excess shall be divided as follows:”;

15 (5) redesignating the second paragraph of sub-
16 section (f) as paragraph (i), and striking out “prop-
17 erty; and” at the end of the paragraph and inserting in
18 lieu thereof the following: “property: *Provided*, That
19 on and after the date of enactment of the Housing Act
20 of 1964, any excess remaining after payment to the
21 holder of the full amount of the certificate of claim shall
22 be retained by the Commissioner and credited to the
23 War Housing Insurance Fund; and”;

24 (6) redesignating the third paragraph of subsection
25 (f) as paragraph (ii) ;

1 (7) designating the last paragraph of subsection
2 (f) as paragraph (2) and inserting the following before
3 the period at the end thereof: “: *Provided*, That the
4 settlement authority created by the Housing Amend-
5 ments of 1955 shall be terminated with respect to any
6 certificate of claim outstanding as of the date of enact-
7 ment of the Housing Act of 1964”; and

8 (8) inserting at the end of subsection (f) a new
9 paragraph as follows:

10 “(3) With the consent of the holder thereof, the Com-
11 missioner is authorized to settle, without awaiting the final
12 liquidation of the Commissioner’s interest in the property,
13 any certificate of claim issued pursuant to subsection (e),
14 with respect to which a settlement had not been effected
15 prior to the date of enactment of the Housing Act of 1964,
16 by making payment in cash to the holder thereof of such
17 amount, not exceeding the face amount of the certificate of
18 claim, together with the accrued interest increment thereon,
19 as the Commissioner may consider appropriate: *Provided*,
20 That in any case where the certificate of claim is settled in
21 accordance with the provisions of this paragraph, any
22 amounts realized after the date of enactment of the Housing
23 Act of 1964, in the liquidation of the Commissioner’s interest
24 in the property, shall be retained by the Commissioner and
25 credited to the applicable insurance fund.”

1 (e) Section 904 of such Act is amended by—

2 (1) inserting after the colon following the first
3 proviso in subsection (a) an additional proviso as fol-
4 lows: “*Provided further*, That with respect to any
5 debentures issued on or after the date of enactment of
6 the Housing Act of 1964, the Commissioner may, with
7 the consent of the mortgagee (in lieu of issuing a cer-
8 tificate of claim as provided in subsection (e)), include
9 in debentures, in addition to amounts otherwise allowed
10 for such costs, an amount not to exceed one-third of
11 the total foreclosure, acquisition, and conveyance costs
12 actually paid by the mortgagee and approved by the
13 Commissioner, but in no event may the total allow-
14 ance for such costs exceed the amount actually paid by
15 the mortgagee:”;

16 (2) striking out “\$50” in the second sentence of
17 subsection (c) and inserting in lieu thereof “\$350”;
18 and

19 (3) striking out “default, and” in the second sen-
20 tence of subsection (d) and inserting in lieu thereof the
21 following: “default, except that debentures issued pur-
22 suant to claims for insurance filed on or after the date
23 of enactment of the Housing Act of 1964 shall be
24 dated as of the date of default or as of such later date

as the Commissioner, in his discretion, may establish by regulation. The debentures”.

ELIMINATION OF MANDATORY ACQUISITION OR FORECLOSURE WITHIN ONE YEAR OF MULTIFAMILY PROJECT IN DEFAULT

SEC. 505. Section 207 (k) of the National Housing Act is amended by striking out the second sentence.

ROOM COUNT LIMITATIONS IN FHA MULTIFAMILY PROGRAMS

SEC. 506. (a) Section 207 of the National Housing Act is amended by striking out the first paragraph of subsection (c) (3) and inserting in lieu thereof the following:

“(3) Not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms or not to exceed \$1,800 per space or \$500,000 per mortgage for trailer courts or parks: *Provided*, That as to projects to consist of elevator-type structures, the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed

1 \$10,500 per family unit without a bedroom, \$15,000 per
2 family unit with one bedroom, \$18,000 per family unit with
3 two bedrooms, and \$22,500 per family unit with three or
4 more bedrooms, as the case may be, to compensate for higher
5 costs incident to the construction of elevator-type structures
6 of sound standards of construction and design; except that
7 the Commissioner may, by regulation, increase any of the
8 foregoing dollar amount limitations contained in this para-
9 graph by not to exceed 45 per centum in any geographical
10 area where he finds that cost levels so require.”.

11 (b) Section 213 of such Act is amended by striking out
12 in subsection (b) (2) all that follows “(2)” down through
13 the second proviso and inserting in lieu thereof the follow-
14 ing: “not to exceed, for such part of the property or project
15 as may be attributable to dwelling use (excluding exterior
16 land improvements as defined by the Commissioner), \$9,000
17 per family unit without a bedroom, \$12,500 per family unit
18 with one bedroom, \$15,000 per family unit with two bed-
19 rooms, and \$18,500 per family unit with three or more bed-
20 rooms, and not to exceed 97 per centum of the amount which
21 the Commissioner estimates will be the replacement cost of
22 the property or project when the proposed physical improve-
23 ments are completed: *Provided*, That as to projects to con-
24 sist of elevator-type structures, the Commissioner may, in his
25 discretion, increase the dollar amount limitations per family

1 unit to not to exceed \$10,500 per family unit without a bed-
2 room, \$15,000 per family unit with one bedroom, \$18,000
3 per family unit with two bedrooms, and \$22,500 per family
4 unit with three or more bedrooms, as the case may be, to
5 compensate for higher costs incident to the construction of
6 elevator-type structures of sound standards of construction
7 and design: *Provided further*, That the Commissioner may,
8 by regulation, increase any of the foregoing dollar amount
9 limitations by not to exceed 45 per centum in any geographi-
10 cal area where he finds that cost levels so require:”.

11 (c) Section 220 of such Act is amended by striking
12 out in subsection (d) (3) (B) (iii) all that follows “(iii)”
13 down through the second proviso and inserting in lieu thereof
14 the following: “not to exceed, for such part of the property
15 or project as may be attributable to dwelling use (exclud-
16 ing exterior land improvements as defined by the Commis-
17 sioner), \$9,000 per family unit without a bedroom, \$12,500
18 per family unit with one bedroom, \$15,000 per family unit
19 with two bedrooms, and \$18,500 per family unit with three
20 or more bedrooms: *Provided*, That as to projects to consist
21 of elevator-type structures, the Commissioner may, in his
22 discretion, increase the dollar amount limitations per family
23 unit to not to exceed \$10,500 per family unit without a
24 bedroom, \$15,000 per family unit with one bedroom,
25 \$18,000 per family unit with two bedrooms, and \$22,500

1 per family unit with three or more bedrooms, as the case
 2 may be, to compensate for higher costs incident to the con-
 3 struction of elevator-type structures of sound standards of
 4 construction and design: *Provided further*, That the Com-
 5 missioner may, by regulation, increase any of the foregoing
 6 dollar amount limitations by not to exceed 45 per centum in
 7 any geographical area where he finds that cost levels so
 8 require:".

9 (d) Section 221 of such Act is amended by—

10 (1) striking out clause (ii) of subsection (d) (3)
 11 and inserting in lieu thereof the following:

12 “(ii) not to exceed, for such part of the property as
 13 may be attributable to dwelling use (excluding exterior
 14 land improvements as defined by the Commissioner),
 15 \$8,000 per family unit without a bedroom, \$11,250 per
 16 family unit with one bedroom, \$13,500 per family unit
 17 with two bedrooms, and \$17,000 per family unit with
 18 three or more bedrooms; except that as to projects to
 19 consist of elevator-type structures, the Commissioner
 20 may, in his discretion, increase the dollar amount limita-
 21 tions per family unit to not to exceed \$9,500 per family
 22 unit without a bedroom, \$13,500 per family unit with
 23 one bedroom, \$16,000 per family unit with two bed-
 24 rooms, and \$20,000 per family unit with three or more
 25 bedrooms, as the case may be, to compensate for higher

1 costs incident to the construction of elevator-type struc-
2 tures of sound standards of construction and design; and
3 except that the Commissioner may, by regulation, in-
4 crease any of the foregoing dollar amount limitations
5 contained in this paragraph by not to exceed 45 per
6 centum in any geographical area where he finds that
7 cost levels so require; and”;

8 (2) striking out clause (ii) in subsection (d) (4)
9 and inserting in lieu thereof the following:

10 “(ii) not to exceed, for such part of the property as
11 may be attributable to dwelling use (excluding exterior
12 land improvements as defined by the Commissioner),
13 \$8,000 per family unit without a bedroom, \$11,250 per
14 family unit with one bedroom, \$13,500 per family unit
15 with two bedrooms, and \$17,000 per family unit with
16 three or more bedrooms; except that as to projects to
17 consist of elevator-type structures, the Commissioner
18 may, in his discretion, increase the dollar amount limi-
19 tations per family unit to not to exceed \$9,500 per
20 family unit without a bedroom, \$13,500 per family unit
21 with one bedroom, \$16,000 per family unit with two
22 bedrooms, and \$20,000 per family unit with three or
23 more bedrooms, as the case may be, to compensate for
24 higher costs incident to the construction of elevator-type
25 structures of sound standards of construction and design;

1 and except that the Commissioner may, by regulation, in-
2 crease any of the foregoing dollar amount limitations
3 contained in this paragraph by not to exceed 45 per
4 centum in any geographical area where he finds that cost
5 levels so require;”.

6 (e) Section 231 (c) (2) of such Act is amended to read
7 as follows:

8 “(2) not exceed, for such part of the property
9 or project as may be attributable to dwelling use (ex-
10 cluding exterior land improvements as defined by the
11 Commissioner), \$8,000 per family unit without a bed-
12 room, \$11,250 per family unit with one bedroom,
13 \$13,500 per family unit with two bedrooms, and
14 \$17,000 per family unit with three or more bedrooms:
15 *Provided*, That as to projects to consist of elevator-type
16 structures, the Commissioner may, in his discretion, in-
17 crease the dollar amount limitations per family unit to
18 not to exceed \$9,500 per family unit without a bedroom,
19 \$13,500 per family unit with one bedroom, \$16,000 per
20 family unit with two bedrooms, and \$20,000 per family
21 unit with three or more bedrooms, as the case may be,
22 to compensate for higher costs incident to the construc-
23 tion of elevator-type structures of sound standards of
24 construction and design; except that the Commissioner
25 may, by regulation, increase any of the foregoing dollar

amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require;”.

(f) Section 810 of such Act is amended by striking out in subsection (f) all that follows “or (2)” and inserting in lieu thereof the following: “not to exceed, for such part of the property or project as may be attributable to dwelling use, \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms, and not to exceed 90 per centum of the estimated value of the property or project when the proposed physical improvements are completed. The Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require.”

FHA SECTION 221 HOUSING FOR LOW- OR MODERATE-
INCOME PERSONS

SEC. 507. (a) Section 221 (c) of the National Housing Act is amended by adding at the end thereof the following: “Any person sixty-two years of age or over may be construed to be a family within the meaning of the terms ‘family’ or ‘families’ as those terms are used in this section.”

(b) (1) Section 221 (d) (3) of such Act is amended by

1 inserting after "or association" the following: ", or other
2 mortgagor approved by the Commissioner, and".

3 (2) Subsection (e) of section 221 of such Act is
4 amended to read as follows:

5 " (e) (1) A mortgagor which may be approved by the
6 Commissioner as provided in subsection (d) (3) includes a
7 mortgagor which, as a condition of obtaining insurance of
8 the mortgage and prior to the submission of its application
9 for such insurance, has entered into an agreement (in form
10 and substance satisfactory to the Commissioner) with a
11 private nonprofit corporation eligible for an insured
12 mortgage under the provisions of subsection (d) (3), that
13 the mortgagor will sell the project when it is completed
14 to the corporation at the actual cost of the project, as
15 certified pursuant to section 227 of this Act. The mortgagor
16 to whom the property is sold shall be regulated or super-
17 vised by the Commissioner as provided in subsection
18 (d) (3) to effectuate its purposes.

19 " (2) The Commissioner may at any time, under such
20 terms and conditions as he may prescribe, consent to the
21 release of the mortgagor from his liability under the mortgage
22 or the credit instrument secured thereby, or consent to the
23 release of parts of the mortgaged property from the lien
24 of the mortgage."

1 (c) The last sentence of section 221 (f) of such Act is
2 amended by striking out "July 1, 1965", each place it
3 appears, and inserting in lieu thereof "September 30, 1965".

4 MORTGAGE INSURANCE FOR SERVICEMEN

5 SEC. 508. Section 222 (b) of the National Housing Act
6 is amended by—

7 (1) striking out in paragraph (1) "203 (b) or
8 203 (i)" and inserting in lieu thereof "203 (b), 203 (i),
9 or 221 (d) (2)," ; and

10 (2) striking out in paragraph (2) "such principal
11 obligation shall not exceed \$9,000" and inserting in lieu
12 thereof "or section 221 (d) (2) such principal obliga-
13 tion shall not exceed the maximum limits prescribed for
14 those sections".

15 PRIVATE FINANCING OF SALE OF FHA-ACQUIRED
16 PROPERTIES

17 SEC. 509. Section 223 (c) of the National Housing Act
18 is amended by striking out "limitation upon eligibility con-
19 tained in this title II" and inserting in lieu thereof the fol-
20 lowing: "limitations or requirements contained in title II
21 upon the eligibility of the mortgage, the payment of insur-
22 ance premiums, or upon the terms and conditions of insur-
23 ance settlement and the benefits of the insurance to be
24 included in such settlement".

EXPERIMENTAL HOUSING

2 SEC. 510. Section 233 of the National Housing Act is
3 amended by—

4 (1) striking out in the parenthetical phrase in sub-
5 section (a) the following: “, in the case of mortgages
6 insured under (b) (2) of this section,”;

7 (2) striking out subsection (b) and inserting in
8 lieu thereof the following:

9 “(b) To be eligible for insurance under this section, a
10 mortgage shall meet the requirements of one of the other
11 sections of this title, except that, in determining the ap-
12 praised value or the replacement cost of the property in
13 cases involving new construction or the estimated cost of
14 repair and rehabilitation or improvement in cases involving
15 existing properties, the Commissioner’s estimate may be
16 based upon an estimate of the cost of replacing property
17 using comparable conventional design, materials, and con-
18 struction, and any limitation upon the maximum mortgage
19 amount available to a nonoccupant owner shall not, in
20 the discretion of the Commissioner, be applicable to mort-
21 gages insured under this section.”;

22 (3) striking out subsections (e) and (f) and
23 inserting in lieu thereof the following:

24 “(e) Any mortgagee under a mortgage or a home

1 improvement loan insured under subsection (b) of this
 2 section shall be entitled to insurance benefits determined
 3 in the same manner as such benefits would be determined
 4 if such mortgage or loan were insured under the section of
 5 this title for which it otherwise would have been eligible
 6 except for the experimental feature of the property
 7 involved.”;

8 (4) redesignating subsections (g) and (h) as
 9 subsections (f) and (g), respectively; and

10 (5) striking out “subsections (e) and (f)” in the
 11 first sentence of subsection (f) (as redesignated by
 12 paragraph (4)) and inserting in lieu thereof “subsec-
 13 tion (e)”.

14 MORTGAGE INSURANCE FOR CONDOMINIUMS

15 SEC. 511. (a) Section 234 of the National Housing Act
 16 is amended by—

17 (1) striking out the heading and inserting in lieu
 18 thereof “MORTGAGE INSURANCE FOR CONDOMINIUMS”;

19 (2) striking out “structure”, each place it appears,
 20 and inserting in lieu thereof “project”;

21 (3) striking out in subsection (b) “the term ‘mort-
 22 gage’ for the purposes of this section” and inserting in
 23 lieu thereof “the term ‘mortgage’ for the purposes of
 24 subsection (c)”;

1 (4) striking out "this section", each place it appears
2 in subsection (c), and inserting in lieu thereof "this sub-
3 section", and striking out "under another section" in
4 clause (2) of the first sentence of subsection (c) and in-
5 serting in lieu thereof "under any section";

6 (5) striking out in subsection (c) "section 213",
7 each place it appears, and inserting in lieu thereof "sec-
8 tion 213 (a) (1) and (2)";

9 (6) striking out the third sentence of subsection
10 (c) and inserting in lieu thereof the following: "To be
11 eligible for insurance pursuant to this subsection, a
12 mortgage shall (A) involve a principal obligation in an
13 amount not to exceed \$25,000, and not to exceed the
14 sum of (i) 97 per centum of \$15,000 of the amount
15 which the Commissioner estimates will be the ap-
16 praised value of the family unit including common areas
17 and facilities as of the date the mortgage is accepted for
18 insurance, (ii) 90 per centum of such value in excess of
19 \$15,000 but not in excess of \$20,000, and (iii) 75
20 per centum of such value in excess of \$20,000, and (B)
21 have a maturity satisfactory to the Commissioner, but
22 not to exceed, in any event, thirty-five years from the
23 date of the beginning of amortization of the mortgage
24 or three-fourths of the Commissioner's estimate of the

1 remaining economic life of the project, whichever is the
2 lesser.”

3 (7) adding after subsection (c) the following new
4 subsections:

5 “(d) In addition to individual mortgages insured under
6 subsection (c) of this section, the Commissioner is
7 authorized, in his discretion and under such terms and con-
8 ditions as he may prescribe, to insure blanket mortgages
9 (including advances on such mortgages during construction)
10 which cover multifamily projects to be constructed or re-
11 habilitated, held by a mortgagor, approved by the Commis-
12 sioner, which—

13 “(1) has certified to the Commissioner, as a condi-
14 tion of obtaining the insurance of a blanket mortgage
15 under this subsection, that upon completion of the multi-
16 family project covered by such mortgage it intends to
17 commit the ownership of the multifamily project to a
18 plan of family unit ownership, under which each family
19 unit would be eligible for individual mortgage insurance
20 under subsection (c) of this section, and will faithfully
21 and diligently make and carry out all reasonable efforts
22 to establish such plan of family unit ownership and to
23 sell such family units to purchasers approved by the
24 Commissioner; and

1 “(2) shall be regulated or restricted by the Com-
2 missioner as to rents, charges, capital structure, rate of
3 return, and methods of operation until the termination
4 of all obligations of the Commissioner under the insur-
5 ance and during such further period of time as the
6 Commissioner shall be the owner, holder, or reinsurer
7 of the mortgage. The Commissioner may make such
8 contracts with and acquire, for not to exceed \$100,
9 such stock or interest in such mortgagor as he may
10 deem necessary to render effective the regulation and
11 restriction of such mortgagor. The stock or interest
12 acquired by the Commissioner shall be paid for out of
13 the Apartment Unit Insurance Fund, and shall be re-
14 deemed by the mortgagor at par at any time upon the
15 request of the Commissioner after the termination of
16 all obligations of the Commissioner under the insurance.

17 “(e) To be eligible for insurance, a blanket mortgage
18 on any multifamily property or project of a mortgagor of the
19 character described in subsection (d) of this section shall in-
20 volve a principal obligation in an amount—

21 “(1) not to exceed \$20,000,000, or not to exceed
22 \$25,000,000, if the mortgage is executed by a mort-
23 gagor regulated or supervised under Federal or State

1 laws or by political subdivisions of States or agencies
2 thereof, as to rents, charges, and methods of operation;

3 “(2) not to exceed 90 per centum of the amount
4 which the Commissioner estimates will be the replace-
5 ment cost of the project when the proposed physical
6 improvements are completed;

7 “(3) not to exceed, for such part of the property
8 or project as may be attributable to dwelling use (ex-
9 cluding exterior land improvements as defined by the
10 Commissioner), \$9,000 per family unit without a bed-
11 room, \$12,500 per family unit with one bedroom,
12 \$15,000 per family unit with two bedrooms, and
13 \$18,500 per family unit with three or more bedrooms:

14 *Provided*, That as to projects to consist of elevator-type
15 structures, the Commissioner may, in his discretion, in-
16 crease the dollar amount limitations per family unit to
17 not to exceed \$10,500 per family unit without a bed-
18 room, \$15,000 per family unit with one bedroom.
19 \$18,000 per family unit with two bedrooms, and \$22,500
20 per family unit with three or more bedrooms, as the
21 case may be, to compensate for higher costs incident
22 to the construction of elevator-type structures of sound
23 standards of construction and design; except that the

1 Commissioner may, by regulation, increase any of the
2 foregoing dollar amount limitations contained in this
3 paragraph by not to exceed 45 per centum in any geo-
4 graphical area where he finds that cost levels so require;
5 and

6 “(4) not to exceed an amount equal to the sum
7 of the unit mortgage amounts determined under the pro-
8 visions of subsection (c) assuming the mortgagor to be
9 the owner and occupant of each family unit.

10 “(f) Any blanket mortgage insured under subsection
11 (d) of this section shall provide for complete amortiza-
12 tion by periodic payments within such terms as the Commis-
13 sioner may prescribe but not to exceed forty years from the
14 beginning of amortization of the mortgage, and shall bear
15 interest (exclusive of premium charges for insurance) at
16 not to exceed $5\frac{1}{4}$ per centum per annum on the amount of
17 the principal obligation outstanding at any time. The Com-
18 missioner may consent to the release of a part or parts of
19 the mortgaged property from the lien of the blanket mort-
20 gage upon such terms and conditions as he may prescribe,
21 and the blanket mortgage may provide for such release.
22 The property or project covered by the blanket mortgage
23 may include five or more family units and such commercial

1 and community facilities as the Commissioner deems ade-
2 quate to serve the occupants.”;

3 (8) redesignating subsection (d) (as it existed
4 prior to the amendments made by paragraph (7)) as
5 subsection (g), striking out “this section” each place
6 it appears therein and inserting in lieu thereof “subsec-
7 tion (c) of this section”, and striking out therein “sec-
8 tion 204 (f) (1)” and inserting in lieu thereof “section
9 204 (f) (1) (i)”;

10 (9) inserting after subsection (g) (as redesignated
11 pursuant to paragraph (8)) the following new subsec-
12 tion:

13 “(h) The provisions of subsections (d), (e), (g), (h),
14 (i), (j), (k), (l), (m), (n), and (p) of section 207 shall
15 be applicable to mortgages insured under subsection (d) of
16 this section, except that all references to the Housing Insur-
17 ance Fund, or Housing Fund, shall be construed to refer to
18 the Apartment Unit Insurance Fund.”;

19 (10) redesignating subsection (e) (as it existed
20 prior to the amendments made by paragraph (7)) as
21 subsection (i); and

22 (11) redesignating subsection (f) (as it existed
23 prior to the amendments made by paragraph (7)) as

1 subsection (j) and amending the subsection to read as
2 follows:

3 “(j) The provisions of sections 225 and 230 shall be
4 applicable to the mortgages insured under subsection (c) of
5 this section.”

6 (b) Section 212 (a) of such Act is amended by adding
7 at the end thereof a new sentence as follows: “The provi-
8 sions of this section shall also apply to the insurance of any
9 mortgage under section 234 (d).”

10 (c) Section 227 (a) of such Act is amended by striking
11 out “or (vii)” and inserting in lieu thereof “(vii)”, and
12 by adding at the end thereof before the semicolon “, or
13 (viii) under section 234 (d)”.

14 TITLE VI—PARTICIPATION IN FNMA POOL OF 15 MORTGAGES

16 POOLING OF MORTGAGES FOR SALE

17 SEC. 601. (a) Section 302 of the Federal National
18 Mortgage Association Charter Act is amended by adding at
19 the end thereof a new subsection as follows:

20 “(c) Notwithstanding any other provision of this
21 Act or of any other law, the Association is authorized
22 under section 306 to create, accept, execute, and other-
23 wise administer in all respects such trusts, receiverships,
24 conservatorships, liquidating or other agencies, or other
25 fiduciary and representative undertakings and activities

1 as might be appropriate for financing purposes; and in
2 relation thereto the Association may acquire, hold and
3 manage, dispose of, and otherwise deal in any mortgages
4 in which the United States or any agency or instrumen-
5 tality thereof may have a financial interest. The As-
6 sociation may join in any such undertakings and activities
7 notwithstanding that it is also serving in a fiduciary or
8 representative capacity; and is authorized, consistent
9 with section 307, to guarantee any participations or
10 other instruments, whether evidence of property rights
11 or debt, issued for such financing purposes. Any partici-
12 pations or other instruments so guaranteed shall to the
13 same extent as securities issued or guaranteed by the
14 United States or its instrumentalities be deemed to be ex-
15 empt securities within the meaning of laws administered
16 by the Securities and Exchange Commission. The
17 amounts of any mortgages acquired by the Association
18 under section 306, pursuant to this subsection, shall not
19 be included in the total amounts set forth in section
20 306 (c).”

21 (b) (1) Section 311 of such Act is amended by in-
22 serting after “obligations” the following: “, participations,
23 or other instruments”.

24 (2) Sections 304 (b) and 306 (b) of such Act are
25 amended respectively by striking out “or obligations which

1 are lawful investments” and inserting in lieu thereof “or
2 obligations, participations, or other instruments which are
3 lawful investments”.

4 (3) Section 310 of such Act is amended by striking
5 out “or in obligations which are lawful investments” and
6 inserting in lieu thereof “or in obligations, participations, or
7 other instruments which are lawful investments”.

8 (c) The penultimate sentence of paragraph Seventh
9 of section 5136 of the Revised Statutes is amended by strik-
10 ing out “or obligations of the Federal National Mortgage
11 Association” and inserting in lieu thereof “or obligations,
12 participations, or other instruments of or issued by the
13 Federal National Mortgage Association”.

14 (d) (1) Section 11 (h) of the Federal Home Loan
15 Bank Act is amended by striking out “in obligations of the
16 Federal National Mortgage Association” and inserting in lieu
17 thereof “in obligations, participations, or other instruments
18 of or issued by the Federal National Mortgage Association”.

19 (2) The last sentence of section 16 of such Act is
20 amended by striking out “in obligations of the Federal Na-
21 tional Mortgage Association” and inserting in lieu thereof “in
22 obligations, participations, or other instruments of or issued
23 by the Federal National Mortgage Association”.

24 (e) The first paragraph of section 5 (c) of the Home
25 Owners’ Loan Act of 1933 is amended by striking out “or

1 in the obligations of the Federal National Mortgage Associa-
2 tion” and inserting in lieu thereof “or in obligations, partici-
3 pations, or other instruments of or issued by the Federal
4 National Mortgage Association”.

5 (f) (1) Section 1820 of title 38, United States Code,
6 is amended by adding at the end thereof the following new
7 subsection:

8 “(e) (1) The Administrator is authorized from
9 time to time, as he determines advisable, to set aside
10 mortgage loans, including installment sale contracts,
11 owned and held by him under this chapter as the basis
12 for the sale of participation certificates as herein pro-
13 vided. For this purpose the Administrator may enter
14 into agreements, including trust agreements, with the
15 Federal National Mortgage Association, and any other
16 Federal agency, under which the Association as fiduciary
17 may sell certificates of participation based on principal
18 and interest collections to be received by the Admin-
19 istrator and the Association or any other such agency
20 on mortgage loans and installment sale contracts com-
21 prising mortgage pools established by them. The
22 agreement may provide for substitution or withdrawal
23 of mortgage loans, or installment sale contracts, or for
24 substitution of cash for mortgages in the pool. The

1 agreement shall provide that the Federal National Mort-
2 gage Association shall promptly pay to the Adminis-
3 trator the entire proceeds of any sale of certificates of
4 participation to the extent such certificates are based on
5 mortgages, including installment sale contracts, set aside
6 by the Administrator and he shall periodically pay to
7 the Association, as fiduciary, such funds as are required
8 for payment of interest and principal due on outstanding
9 certificates of participation to the extent of the pro rata
10 amount allocated to the Administrator pursuant to
11 the agreement. The agreement shall also provide
12 that the Administrator shall retain ownership of mort-
13 gage loans and installment sale contracts set aside by
14 him pursuant to the agreement unless transfer of owner-
15 ship to the fiduciary is required in the event of default
16 or probable default in the payment of participation cer-
17 tificates. The Administrator is authorized to purchase
18 outstanding certificates of participation to the extent of
19 the amount of his commitment to the fiduciary on par-
20 ticipations outstanding and to pay his proper share of
21 the costs and expenses incurred by the Federal National
22 Mortgage Association as fiduciary pursuant to the
23 agreement.

24 “(2) The Administrator shall proportionately allo-
25 cate and deposit the entire proceeds received from the

1 sale of participations into the funds established pursuant
2 to sections 1823 and 1824 of this chapter, as determined
3 on an estimated basis, and the amounts so deposited
4 shall be available for the purposes of the funds. The
5 Administrator may nevertheless make such allocations
6 of that part of the proceeds of participation sales repre-
7 senting anticipated interest collections on mortgage
8 loans, including installment sale contracts, on other than
9 an estimated proportionate basis if determined necessary
10 to assure payment of interest on advances theretofore
11 made to the Administrator by the Secretary of the
12 Treasury for direct loan purposes. The Administrator
13 shall set aside and maintain necessary reserves in the
14 funds established pursuant to sections 1823 and 1824 of
15 this chapter to be used for meeting commitments pur-
16 suant to this subsection and, as he determines to be
17 necessary, for meeting interest payments on advances
18 by the Secretary of the Treasury for direct loan pur-
19 poses.”

20 (2) Section 1823 of title 38, United States Code, is
21 amended by—

22 (1) inserting before the period at the end of the
23 last sentence of subsection (a) the following: “, and a
24 reasonable reserve for meeting commitments pursuant to
25 subsection 1820 (e) of this title”; and

1 (2) inserting before the period at the end of the last
2 sentence of subsection (c) the following: “and for the
3 purposes of meeting commitments under subsection 1820
4 (e) of this title”.

5 TITLE VII—RURAL HOUSING

6 EXTENSION OF RURAL HOUSING PROGRAMS

7 SEC. 701. (a) The second sentence of section 511 of
8 the Housing Act of 1949 is amended by—

9 (1) striking out “June 30, 1965” and inserting in
10 lieu thereof “September 30, 1965”; and

11 (2) striking out “\$700,000,000” and inserting in
12 lieu thereof “\$850,000,000”.

13 (b) Section 512 of such Act is amended by striking out
14 “June 30, 1965” and inserting in lieu thereof “September
15 30, 1965”.

16 (c) Section 513 of such Act is amended by striking out
17 “June 30, 1965”, each place it appears, and inserting in
18 lieu thereof “September 30, 1965”.

19 (d) Section 515 (b) of such Act is amended by—

20 (1) striking out “\$100,000” in clause (1) and in-
21 serting in lieu thereof “\$300,000”; and

22 (2) striking out “1964” in clause (5) and insert-
23 ing in lieu thereof “1965”.

1 DEFINITION OF DOMESTIC FARM LABOR

2 SEC. 702. Clause (3) of section 514 (f) of the Housing
3 Act of 1949 is amended to read as follows: “(3) the term
4 ‘domestic farm labor’ means persons who receive a substan-
5 tial portion (as determined by the Secretary) of their in-
6 come as laborers on farms situated in the United States and
7 either (A) are citizens of the United States, or (B) reside
8 in the United States after being legally admitted for per-
9 manent residence therein.”

10 LOW-RENT HOUSING FOR DOMESTIC FARM LABOR

11 SEC. 703. (a) Title V of the Housing Act of 1949 is
12 amended by adding at the end thereof the following new
13 section:

14 “FINANCIAL ASSISTANCE TO PROVIDE LOW-RENT HOUSING

15 FOR DOMESTIC FARM LABOR

16 “SEC. 516. (a) Upon the application of any State or
17 political subdivision thereof, or any public or private non-
18 profit organization, the Secretary is authorized to provide
19 financial assistance for the provision of low-rent housing and
20 related facilities for domestic farm labor, if he finds that—

21 “(1) the housing and related facilities for which
22 financial assistance is requested will fulfill a pressing
23 need in the area in which such housing and facilities

1 will be located, and there is reasonable doubt that the
2 same can be provided without financial assistance under
3 this section;

4 “(2) the applicant will contribute, from its own
5 resources or from funds borrowed under section 514 or
6 elsewhere, at least one-third of the total development
7 cost;

8 “(3) the types of housing and related facilities to
9 be provided are most practical, giving due consideration
10 to the purposes to be served thereby and the needs of
11 the occupants thereof; and

12 “(4) the construction will be undertaken in an
13 economical manner, and the housing and related facil-
14 ities will not be of elaborate or extravagant design or
15 material.

16 “(b) The amount of any financial assistance provided
17 under this section for low-rent housing and related facilities
18 shall not exceed two-thirds of the total development cost
19 thereof, as determined by the Secretary, less such amount
20 as the Secretary determines can be practicably obtained
21 from other sources (including a loan under section 514).

22 “(c) No financial assistance for low-rent housing and
23 related facilities shall be made available under this section
24 unless, to any extent and for any periods required by the
25 Secretary, the applicant agrees—

1 “(1) that the rentals charged domestic farm labor
2 shall not exceed such amounts as may be approved by the
3 Secretary, giving due consideration to the income and
4 earning capacity of the tenants, and the necessary costs
5 of operating and maintaining such housing;

6 “(2) that such housing shall be maintained at all
7 times in a safe and sanitary condition in accordance with
8 such standards as may be prescribed by State or local
9 law, or, in the absence of such standards, in accordance
10 with such minimum requirements as the Secretary shall
11 prescribe; and

12 “(3) an absolute priority will be given at all times
13 in granting occupancy of such housing and facilities to
14 domestic farm labor.

15 “(d) The Secretary may make payments pursuant to
16 any contract for financial assistance under this section at
17 such times and in such manner as may be specified in the
18 contract. In each contract, the Secretary shall include such
19 covenants, conditions, or provisions as he deems necessary to
20 insure that the housing and related facilities, for which
21 financial assistance is made available, be used only in con-
22 formity with the provisions of this section.

23 “(e) The Secretary shall prescribe regulations to insure
24 that Federal funds expended under this section are not wasted
25 or dissipated.

1 “(f) All laborers and mechanics employed by contrac-
2 tors or subcontractors on projects assisted by the Secretary
3 which are undertaken by approved applicants under this sec-
4 tion shall be paid wages at rates not less than those prevail-
5 ing on similar construction in the locality, as determined by
6 the Secretary of Labor in accordance with the Davis-Bacon
7 Act, as amended (40 U.S.C. 276a—276a-5). The Secre-
8 tary shall not extend any financial assistance under this sec-
9 tion for any project without first obtaining adequate assurance
10 that these labor standards will be maintained on the construc-
11 tion work; except that compliance with such standards may
12 be waived by the Secretary in cases or classes of cases where
13 laborers or mechanics, not otherwise employed at any time
14 on the project, voluntarily donate their services without
15 compensation for the purpose of lowering the costs of con-
16 struction and the Secretary determines that any amounts
17 thereby saved are fully credited to the person, corporation,
18 association, organization, or other entity undertaking the
19 project. The Secretary of Labor shall have, with respect
20 to the labor standards specified in this section, the authority
21 and functions set forth in Reorganization Plan Numbered 14
22 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15),

1 and section 2 of the Act of June 13, 1934, as amended (40
2 U.S.C. 276c).

3 “(g) As used in this section—

4 “(1) the term ‘low-rent housing’ means rental
5 housing within the financial reach of families of low in-
6 come consisting of (A) new structures suitable for
7 dwelling use by domestic farm labor, and (B) existing
8 structures which can be made suitable for dwelling use
9 by domestic farm labor by rehabilitation, alteration, con-
10 version, or improvement;

11 “(2) the terms ‘related facilities’ and ‘domestic
12 farm labor’ shall have the meaning assigned to them in
13 section 514 (f) ; and

14 “(3) the term ‘development cost’ shall have the
15 meaning assigned to it in section 515 (d) (4).”

16 (b) Section 513 of such Act is amended by redesignat-
17 ing clauses “(c)” and “(d)” as clauses “(d)” and “(e)”,
18 respectively, and by inserting after the semicolon at the end
19 of clause (b) the following: “(c) not to exceed \$10,000,000
20 for financial assistance pursuant to section 516 for the period
21 ending September 30, 1965;”.

22 (c) Section 506 (a) of such Act is amended by striking

1 out “sections 514 and 515”, each place it appears, and in-
 2 serting in lieu thereof “sections 514-516”.

3 TITLE VIII—MISCELLANEOUS

4 FNMA—PURCHASE OF PARTICIPATIONS

5 SEC. 801. Section 304 (d) of the Federal National
 6 Mortgage Association Charter Act is hereby repealed.

7 OPEN-SPACE PROGRAM—GRANT AUTHORIZATION

8 SEC. 802. Section 702 (b) of the Housing Act of 1961
 9 is amended by—

10 (1) striking out “\$50,000,000” and inserting in
 11 lieu thereof “\$75,000,000”; and

12 (2) adding at the end thereof the following: “All
 13 funds so appropriated shall remain available until
 14 expended.”

15 HOUSING FOR THE ELDERLY—LOAN AUTHORIZATION

16 SEC. 803. Section 202 (a) (4) of the Housing Act of
 17 1959 is amended by striking out “\$275,000,000” and in-
 18 serting in lieu thereof “\$350,000,000”.

19 COLLEGE HOUSING

20 SEC. 804. The second paragraph of section 404 (b) of
 21 the Housing Act of 1950 is amended by striking out the
 22 period and inserting in lieu thereof the following: “: *Pro-*
 23 *vided*, That where the law of any State in effect on the date
 24 of enactment of the Housing Act of 1964 prevents its institu-
 25 tion or institutions, for whose students or students and faculty

1 the housing is to be provided, from cosigning the note, the
2 Administrator shall require the corporation and the proposed
3 project to be approved by such institution (or by any one or
4 more of such institutions) in lieu of such cosigning.”

5 ACQUISITION OF RENTAL HOUSING PROJECT

6 SEC. 805. The first sentence of section 404 (a) of the
7 Housing Amendments of 1955 is amended by inserting be-
8 fore the period at the end thereof the following: “, or (3)
9 any housing situated on or adjacent to a military installation
10 which was (A) completed prior to July 1, 1952, (B) con-
11 sidered by the Department of Defense, prior to construction,
12 as being necessary to meet an existing military family hous-
13 ing need and considered as military housing by the Federal
14 Housing Commissioner, and (C) financed with mortgages
15 insured under section 608 of the National Housing Act, in-
16 cluding adjacent property constructed primarily to provide
17 commercial facilities for the occupants of such housing”.

18 FELLOWSHIPS FOR CITY PLANNING AND URBAN STUDIES

19 SEC. 806. There is hereby authorized to be appropriated
20 not to exceed \$500,000 annually, for a three-year period
21 commencing on July 1, 1964, to be used by the Housing
22 and Home Finance Administrator for the purpose of provid-
23 ing fellowships for the graduate training of professional city
24 planning and urban and housing technicians and specialists
25 as provided below. Persons shall be selected for such fellow-

1 ships solely on the basis of ability. Fellowships shall be
2 solely for training in public and private nonprofit institutions
3 of higher education having programs of graduate study in
4 the field of city planning or in related fields (including archi-
5 tecture, civil engineering, economics, municipal finance,
6 public administration, and sociology), which programs are
7 oriented to training for careers in city and regional planning,
8 housing, urban renewal, and community development. The
9 Administrator shall, in the administration of this section,
10 consult with, and secure the advice of, the Department of
11 Health, Education, and Welfare.

12 FEDERAL SAVINGS AND LOAN ASSOCIATIONS

13 SEC. 807. (a) (1) The first sentence of section 5 (c)
14 of the Home Owners' Loan Act of 1933 is amended by
15 striking out "fifty miles of their home office" and inserting in
16 lieu thereof "one hundred miles from their home office".

17 (2) Section 403 (b) of title IV of the National Hous-
18 ing Act is amended by striking out that part of the third
19 sentence which precedes the first semicolon and inserting
20 in lieu thereof the following: "Each applicant for such in-
21 surance shall also file with its application an agreement
22 that during the period that the insurance is in force it will
23 not make any loans beyond one hundred miles from its

1 principal office, but any applicant which, prior to the date
2 of enactment of the Housing Act of 1964, has been per-
3 mitted to make loans beyond such one hundred mile limit
4 may continue to make loans within the territory in which
5 the applicant is operating on such date: *Provided*, That
6 any loan beyond fifty miles from its principal office and
7 outside the territory in which the applicant is operating
8 on the date of the enactment of such Act may be made,
9 but only with the approval of, and pursuant to regulations
10 of, the Corporation”.

11 (b) The first proviso of section 5(c) of the Home
12 Owners’ Loan Act of 1933 is amended by striking out
13 “, except that the aggregate sums invested pursuant to the
14 two exceptions in this proviso shall not exceed 30 per centum
15 of the assets of such association”.

16 (c) Section 5(c) of the Home Owners’ Loan Act of
17 1933 is amended by adding at the end thereof a new para-
18 graph as follows:

19 “For the purpose of this section, the terms ‘real prop-
20 erty’ and ‘real estate’ shall include a leasehold or sublease-
21 hold estate in real property under a lease or sublease the
22 term of which does not expire, or which is renewable
23 automatically or at the option of the holder (or at the option

1 of the association) so as not to expire, for at least fifteen
2 years beyond the maturity of the debt, or for such longer
3 period as the Board by regulation may prescribe.”

4 (d) The next to last paragraph of section 5 (c) of the
5 Home Owners’ Loan Act of 1933 is amended to read as
6 follows:

7 “Without regard to any other provision of this sub-
8 section, any such association is authorized to invest not more
9 than 5 per centum of its assets in, or in interests in, real
10 property located within urban renewal areas as defined in
11 subsection (a) of section 110 of the Housing Act of 1949
12 and obligations secured by first liens on real property so
13 located, but no investment shall be made by an association
14 under this sentence in real property or any interest therein
15 if the aggregate investment of the association under this
16 sentence in real property and interests therein, determined as
17 prescribed by the Board, would thereupon exceed 2 per
18 centum of the assets of the association.”

19 (e) Section 5 (c) of the Home Owners’ Loan Act of
20 1933 is amended by adding at the end thereof a new para-
21 graph as follows:

22 “Subject to rules and regulations of the Board, any such
23 association is authorized to invest in the capital stock, obliga-
24 tions, or other securities of any corporation organized under
25 the laws of the State, District, Commonwealth, territory, or

1 possession in which the home office of the association is
2 located, if the entire capital stock of such corporation is avail-
3 able for purchase only by savings and loan associations of
4 that State, District, Commonwealth, territory, or possession
5 and by Federal savings and loan associations having their
6 home offices therein, but no association may make any invest-
7 ment under this sentence if its aggregate outstanding invest-
8 ment under this sentence, determined as prescribed by the
9 Board, would thereupon exceed 2 per centum of its assets.”

10 (f) Section 10 (b) of the Federal Home Loan Bank
11 Act is amended by striking out “twenty-five” in clause (1)
12 and inserting in lieu thereof “thirty”.

13 REAL ESTATE LOANS BY NATIONAL BANKS

14 SEC. 808. Clause (3) of the third sentence of the first
15 paragraph of section 24 of the Federal Reserve Act is
16 amended to read as follows: “(3) any such loan may be
17 made in an amount not to exceed 80 per centum of the
18 appraised value of the real estate offered as security and for
19 a term not longer than thirty years if the loan is secured by
20 an amortized mortgage, deed of trust, or other such instru-
21 ment under the terms of which the installment payments are
22 sufficient to amortize the entire principal of the loan within
23 the period ending on the date of its maturity, and”.

A BILL

To extend and amend laws relating to housing,
urban renewal, and community facilities,
and for other purposes.

By Mr. SPARKMAN

JULY 29, 1964

Read twice and ordered to be placed on the calendar

Digest of CONGRESSIONAL PROCEEDINGS

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

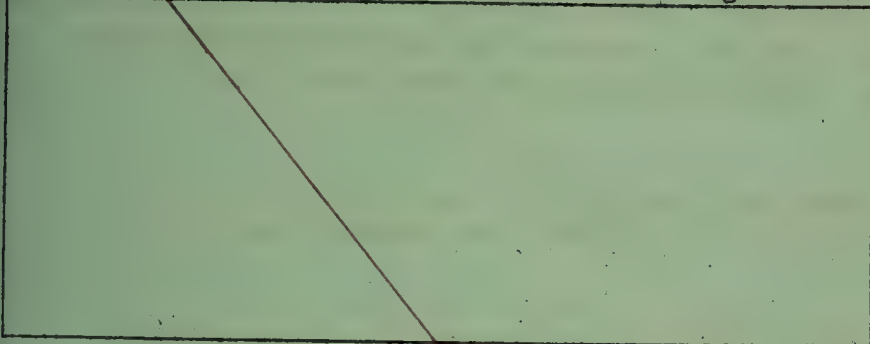
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Issued July 31, 1964

For actions of July 30, 1964

88th-2nd; No. 146



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HIGHLIGHTS: House passed wilderness bill. House conferees were appointed on pay bill. Senate committee reported independent offices appropriation bill. Rep. Gurney accused Secretary Freeman of playing politics with meat-imports legislation, and Rep. Albert denied accusations.

HOUSE

1. PERSONNEL; PAY. Adopted, 244 to 131, a resolution to send H.R. 11049, the Federal pay bill, to conference. House conferees were appointed. Senate conferees have been appointed. pp. 16841-4
The "Daily Digest" states that the conferees met in executive session but made no announcements and will meet again on Mon., Aug. 31. p. D614
2. WILDERNESS. Passed with amendment S. 4, to establish a National Wilderness Preservation System. By a vote of 373 to 1, H.R. 9070 had been passed earlier, with amendments, but was subsequently tabled due to passage of the Senate bill amended to include the language of the House bill. pp. 16844-77

3. HOUSING; COMMUNITY DEVELOPMENT. The Housing Subcommittee of the Banking and Currency Committee approved H.R. 9751 (a clean bill is to be introduced), the housing and community development bill. p. D613-4
4. DEFENSE APPROPRIATION BILL, 1965. House conferees were appointed on this bill, H.R. 10939. Senate conferees have been appointed. p. 16839
5. MEAT IMPORTS. Rep. Gurney stated that the administration is trying to play "smokerroom" politics with the American cattle industry in the handling of the meat-imports legislation, that Secretary Freeman was conferring with the Democratic leadership, and that the House "ought to know what this visit was all about." pp. 16840-1
6. APPALACHIA. The Public Works Committee was granted permission to file a report by midnight Fri., July 31, on H.R. 11946, the Appalachia bill. p. 18839
7. WHEAT. Rep. Bennett spoke on wheat shipments to Russia and stated that "not one grain of wheat has been shipped to Russia or any Communist bloc country under the controversial legislation of 1963 allowing the Export-Import Bank to extend credit for the sale of wheat to Russia." p. 16839
8. ICE AGE NATIONAL RESERVE. Rep. Reuss inserted an article in support of H.R. 1096, to authorize the Secretary of the Interior to cooperate with Wisc. in the designation and administration of the Ice Age National Scientific Reserve. pp. 16884-5
9. ECONOMICS. Rep. Joelson urged action on his bill to establish an Economic Conversion Commission. p. 16887
10. POLITICAL ACTIVITY. Rep. Hall discussed what he termed "political immorality" and inserted editorials and articles which included references to employees of this Department with regard to alleged political activity. pp. 16891-3
11. AREA REDEVELOPMENT. Received from ARA a report commenting upon a GAO report, "Overstatement of Number of Jobs Created Under the Accelerated Public Works Program." p. 16895
12. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon. H.R. 3672, the Savery-Pot Hook, Bostwich Park, reclamation bill, and H.R. 10446, to permit the use of statistical sampling procedures in the examination of vouchers, will be considered; that on Tues. it is expected that H.R. 11377, the poverty bill, will be taken up with final passage on Fri., and that H.R. 1803, the Ozark National Scenic Riverways, Mo., bill will also be considered on Fri. pp. 16877-8
13. ADJOURNED until Mon., Aug. 3. p. 16895

SENATE

14. AUTOMATION. The Labor and Public Welfare Committee reported with amendments H.R. 11611, to establish a National Commission on Automation (S. Rept. 1268). p. D611

88TH CONGRESS
2D SESSION

H. R. 12175

H. R. 12175

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 1964

Mr. RAINS introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To extend and amend laws relating to housing, urban renewal,
and community facilities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the “Housing Act of 1964”.

4 TITLE I—AMENDMENTS TO THE NATIONAL
5 HOUSING ACT

6 MORTGAGE LIMITS FOR HOMES UNDER SECTION 203
7 PROGRAMS

8 SEC. 101. (a) Section 203 (b) (2) of the National
9 Housing Act is amended—

(1) by striking out “\$25,000”, “\$27,500”, “\$27,500”, and “\$35,000” and inserting in lieu thereof

1 “\$30,000”, “\$32,500”, “\$32,500”, and “\$37,500”, re-
 2 spectively; and

3 (2) by striking out “90 per centum”, “90 per
 4 centum”, and “75 per centum” and inserting in lieu
 5 thereof “92 per centum”, $92\frac{1}{2}$ per centum”, and “80
 6 per centum”, respectively.

7 (b) Section 203 (i) of such Act is amended by striking
 8 out “\$9,000” and inserting in lieu thereof “\$11,000”.

9 HOME IMPROVEMENT LOANS OUTSIDE OF URBAN RENEWAL
 10 AREAS

11 SEC. 102. Section 203 (k) of the National Housing Act
 12 is amended by striking out “economically sound” in clause
 13 (2) of the first sentence and inserting in lieu thereof “an
 14 acceptable risk”.

15 ADDITIONAL RELIEF FOR HOME MORTGAGORS IN DEFAULT
 16 DUE TO CIRCUMSTANCES BEYOND THEIR CONTROL

17 SEC. 103. (a) Section 204 (a) of the National Housing
 18 Act is amended by striking out the fourth proviso and in-
 19 serting in lieu thereof the following: “: *And provided fur-*
 20 *ther*, That with respect to any mortgage covering a one-,
 21 two-, three-, or four-family residence insured under this
 22 Act, if the Commissioner finds, after notice of default, that
 23 the default was due to circumstances beyond the control of
 24 the mortgagor, he may, upon such terms and conditions
 25 as he may prescribe, (1) approve the request of the mort-

1 gagee for an extension of the time for the curing of the
2 default and of the time for commencing foreclosure proceed-
3 ings or for otherwise acquiring title to the mortgaged prop-
4 erty to such time as the Commissioner may determine is
5 necessary and desirable to enable the mortgagor to complete
6 the mortgage payments, including an extension of time
7 beyond the stated maturity of the mortgage, and in the
8 event of a subsequent foreclosure or acquisition of the prop-
9 erty by other means the Commissioner is authorized to in-
10 clude in the debentures an amount equal to any unpaid mort-
11 gage interest, or (2) approve a modification of the terms of
12 the mortgage for the purpose of changing the amortization
13 provisions by recasting, over the remaining term of the mort-
14 gage or over such longer period as may be approved by the
15 Commissioner, the total unpaid amount then due, as deter-
16 mined by the Commissioner, with the modification to become
17 effective currently or to become effective upon the termina-
18 tion of an agreed-upon extension of the period for curing
19 the default; and the principal amount of the mortgage, as
20 modified, shall be considered to be the 'original principal
21 obligation of the mortgage' as that term is used in this Act
22 for the purpose of computing the total face value of the
23 debentures to be issued or the cash payment to be made by
24 the Commissioner to a mortgagee".

25 (b) Section 230 of such Act is amended by striking

1 out the first sentence and inserting in lieu thereof the follow-
2 ing: "Upon receiving notice of the default of any mortgage
3 covering a one-, two-, three-, or four-family residence here-
4 tofore or hereafter insured under this Act, the Commissioner,
5 in his discretion and for the purpose of avoiding foreclosure
6 of the mortgage, and notwithstanding the fact that he has
7 previously approved a request of the mortgagee for an ex-
8 tension of the time for curing the default and of the time for
9 commencing foreclosure proceedings or for otherwise acquir-
10 ing title to the mortgaged property, or has approved a
11 modification of the mortgage for the purpose of changing
12 the amortization provisions by recasting the unpaid balance,
13 may acquire the loan and security therefor upon payment
14 of the insurance benefits in an amount equal to the unpaid
15 principal balance of the loan plus any unpaid mortgage in-
16 terest plus reimbursement for such costs and attorney's fees
17 as the Commissioner finds were properly incurred in connec-
18 tion with the defaulted mortgage and its assignment to the
19 Commissioner, and for any proper advances theretofore made
20 by the mortgagee under the provisions of the mortgage.
21 After the acquisition of such mortgage by the Commissioner,
22 the mortgagee shall have no further rights, liabilities, or
23 obligations with respect thereto."

1 MAXIMUM AMOUNT OF SECTION 207 RENTAL HOUSING
2 MORTGAGES

3 SEC. 104. Section 207 (c) (2) of the National Housing
4 Act is amended by striking out all that follows the first colon
5 and precedes "to mortgages on housing in Alaska", and
6 inserting in lieu thereof the following: "*Provided*, That this
7 limitation shall not apply".

8 FAMILY UNIT LIMITS ON FHA RENTAL HOUSING

9 SEC. 105. (a) Section 207 (c) (3) of the National
10 Housing Act is amended by striking out the first paragraph
11 and inserting in lieu thereof the following:

12 "(3) not to exceed, for such part of the property or
13 project as may be attributable to dwelling use (excluding
14 exterior land improvements as defined by the Commis-
15 sioner), \$9,000 per family unit without a bedroom, \$12,500
16 per family unit with one bedroom, \$15,000 per family unit
17 with two bedrooms, and \$18,500 per family unit with three
18 or more bedrooms or not to exceed \$1,800 per space or
19 \$500,000 per mortgage for trailer courts or parks; except
20 that as to projects to consist of elevator-type struc-
21 tures the Commissioner may, in his discretion, increase the
22 dollar amount limitations per family unit to not to exceed
23 \$10,500 per family unit without a bedroom, \$15,000 per

1 family unit with one bedroom, \$18,000 per family unit with
2 two bedrooms, and \$22,500 per family unit with three or
3 more bedrooms, as the case may be, to compensate for the
4 higher costs incident to the construction of elevator-type
5 structures of sound standards of construction and design; and
6 except that the Commissioner may, by regulation, increase
7 any of the foregoing dollar amount limitations contained in
8 this paragraph by not to exceed 30 per centum in any geo-
9 graphical area where he finds that cost levels so require."

10 (b) Section 213 (b) (2) of such Act is amended by
11 striking out all that precedes the third proviso and inserting
12 in lieu thereof the following:

13 " (2) not to exceed, for such part of the property or
14 project as may be attributable to dwelling use (exclud-
15 ing exterior land improvements as defined by the Com-
16 missioner), \$9,000 per family unit without a bedroom,
17 \$12,500 per family unit with one bedroom, \$15,000 per
18 family unit with two bedrooms, and \$18,500 per family
19 unit with three or more bedrooms, and not to exceed 97
20 per centum of the amount which the Commissioner esti-
21 mates will be the replacement cost of the property or
22 project when the proposed physical improvements are
23 completed: *Provided*, That as to projects to consist of
24 elevator-type structures the Commissioner may, in his
25 discretion, increase the dollar amount limitations per

1 family unit to not to exceed \$10,500 per family unit
2 without a bedroom, \$15,000 per family unit with one
3 bedroom, \$18,000 per family unit with two bedrooms,
4 and \$22,500 per family unit with three or more bed-
5 rooms, as the case may be, to compensate for the higher
6 costs incident to the construction of elevator-type struc-
7 tures of sound standards of construction and design:
8 *Provided further*, That the Commissioner may, by regu-
9 lation, increase any of the foregoing dollar amount limi-
10 tations contained in this paragraph by not to exceed 30
11 per centum in any geographical area where he finds that
12 cost levels so require”.

13 (c) Section 220 (d) (3) (B) (iii) of such Act is
14 amended to read as follows:

15 “(iii) not exceed, for such part of the property or
16 project as may be attributable to dwelling use (excluding
17 exterior land improvements as defined by the Commis-
18 sioner), \$9,000 per family unit without a bedroom,
19 \$12,500 per family unit with one bedroom, \$15,000 per
20 family unit with two bedrooms, and \$18,500 per family
21 unit with three or more bedrooms; except that as to
22 projects to consist of elevator-type structures the Com-
23 missioner may, in his discretion, increase the dollar
24 amount limitations per family unit to not to exceed
25 \$10,500 per family unit without a bedroom, \$15,000

1 per family unit with one bedroom, \$18,000 per family
2 unit with two bedrooms, and \$22,500 per family unit
3 with three or more bedrooms, as the case may be, to
4 compensate for the higher costs incident to the construc-
5 tion of elevator-type structures of sound standards of
6 construction and design; and except that the Commis-
7 sioner may, by regulation, increase any of the fore-
8 going dollar amount limitations contained in this clause
9 by not to exceed 30 per centum in any geographical area
10 where he finds that cost levels so require: *Provided,*
11 That nothing contained in this subparagraph shall pre-
12 clude the insurance of mortgages covering existing
13 multifamily dwellings to be rehabilitated or recon-
14 structed for the purposes set forth in subsection (a) of
15 this section; and”.

16 (d) (1) Section 221 (d) (3) (ii) of such Act is
17 amended to read as follows:

18 “(ii) not exceed, for such part of the property or
19 project as may be attributable to dwelling use (exclud-
20 ing exterior land improvements as defined by the Com-
21 missioner), \$8,000 per family unit without a bedroom,
22 \$11,250 per family unit with one bedroom, \$13,500
23 per family unit with two bedrooms, and \$17,000 per
24 family unit with three or more bedrooms; except that as
25 to projects to consist of elevator-type structures the

Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require; and”.

(2) Section 221 (d) (4) (ii) of such Act is amended to read as follows:

“(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar

1 amount limitations per family unit to not to exceed
2 \$9,500 per family unit without a bedroom, \$13,500
3 per family unit with one bedroom, \$16,000 per family
4 unit with two bedrooms, and \$20,000 per family unit
5 with three or more bedrooms, as the case may be, to
6 compensate for the higher costs incident to the construc-
7 tion of elevator-type structures of sound standards of
8 construction and design; and except that the Commis-
9 sioner may, by regulation, increase any of the foregoing
10 dollar amount limitations contained in this clause by not
11 to exceed 30 per centum in any geographical area where
12 he finds that cost levels so require;”.

13 (e) Section 231 (c) (2) of such Act is amended to
14 read as follows:

15 “(2) not exceed, for such part of the property or
16 project as may be attributable to dwelling use (exclud-
17 ing exterior land improvements as defined by the Com-
18 missioner), \$8,000 per family unit without a bedroom,
19 \$11,250 per family unit with one bedroom, \$13,500 per
20 family unit with two bedrooms, and \$17,000 per family
21 unit with three or more bedrooms; except that as to
22 projects to consist of elevator-type structures the Com-
23 missioner may, in his discretion, increase the dollar
24 amount limitations per family unit to not to exceed
25 \$9,500 per family unit without a bedroom, \$13,500

1 per family unit with one bedroom, \$16,000 per family
2 unit with two bedrooms, and \$20,000 per family unit
3 with three or more bedrooms, as the case may be, to
4 compensate for the higher costs incident to the construc-
5 tion of elevator-type structures of sound standards of con-
6 struction and design; and except that the Commissioner
7 may, by regulation, increase any of the foregoing dollar
8 amount limitations contained in this paragraph by not
9 to exceed 30 per centum in any geographical area where
10 he finds that cost levels so require;”.

11 (f) (1) Clause (2) in the first sentence of section
12 810 (f) of such Act is amended by striking out “\$2,500
13 per room (or \$9,000 per family unit if the number of rooms
14 in such property or project is less than four per family
15 unit)” and inserting in lieu thereof “\$9,000 per family
16 unit without a bedroom, \$12,500 per family unit with one
17 bedroom, \$15,000 per family unit with two bedrooms, and
18 \$18,500 per family unit with three or more bedrooms”.

19 (2) The second sentence of section 810 (f) of such Act
20 is amended to read as follows: “The Commissioner may, by
21 regulation, increase any of the foregoing dollar amount
22 limitations contained in this paragraph by not to exceed 30
23 per centum in any geographical area where he finds that cost
24 levels so require.”

1 SUPPLEMENTARY COOPERATIVE LOANS UNDER SECTION
2 213(j)

3 SEC. 106. (a) Section 213 (j) (1) of the National Hous-
4 ing Act is amended—

5 (1) by striking out “or” at the end of clause (A) ;

6 (2) by striking out the period at the end of clause

7 (B) and inserting in lieu thereof “; or”; and

8 (3) by adding at the end thereof the following
9 new clause:

10 “(C) Cooperative purchases and resales of mem-
11 berships in order to provide necessary refinancing for re-
12 sales of memberships which involve increases in equity;
13 but in such resales by the cooperative the downpayments
14 by the new members shall not be less than those made
15 on the original sales of such memberships.”

16 (b) Section 305 (e) of such Act is amended by adding
17 at the end thereof the following new sentence: “Without
18 regard to any of the limitations of this subsection except
19 the total amount of authorizations available, the Association
20 is authorized to enter into advance commitment contracts
21 and purchase transactions on supplementary cooperative
22 loans with respect to which the Federal Housing Commis-
23 sioner shall have issued, pursuant to section 213 (j) , either a
24 commitment to insure or a statement of eligibility; but such
25 commitments and purchases shall be made solely where

1 there is a management-type cooperative involved which is
2 certified by the Federal Housing Commissioner as a con-
3 sumer cooperative.”

4 **MUTUALITY FOR MANAGEMENT-TYPE COOPERATIVES**

5 SEC. 107. (a) Section 213 of the National Housing Act
6 is amended by adding at the end thereof the following new
7 subsections:

8 “(k) There is hereby created a Cooperative Manage-
9 ment Housing Insurance Fund (hereinafter referred to as
10 the ‘Management Fund’). The Management Fund shall
11 be used by the Commissioner as a revolving fund for carry-
12 ing out the provisions of this section with respect to
13 mortgages or loans insured, on or after the date of the enact-
14 ment of this subsection, under subsections (a) (1), (a) (3)
15 (if the project is acquired by a cooperative corporation),
16 (i), and (j). The Management Fund shall also be used as
17 a revolving fund for mortgages, loans, and commitments
18 transferred to it pursuant to subsection (m). The Commis-
19 sioner is directed to transfer to the Management Fund from
20 the Housing Insurance Fund established pursuant to section
21 207 (f) such amount as the Commissioner determines to be
22 necessary and appropriate. General expenses of operation
23 of the Federal Housing Administration relating to mort-
24 gages or loans which are the obligation of the Management
25 Fund may be charged to the Management Fund.

1 “(1) The Commissioner shall establish in the Manage-
2 ment Fund, as of the date of the enactment of this subsec-
3 tion, a General Surplus Account and a Participating Reserve
4 Account. The aggregate net income thereafter received or
5 any net loss thereafter sustained by the Management Fund,
6 in any semiannual period, shall be credited or charged to
7 the General Surplus Account or the Participating Reserve
8 Account or both in such manner and amounts as the Com-
9 missioner may determine to be in accord with sound actu-
10 arial and accounting practice. Upon termination of the
11 insurance obligation of the Management Fund by payment
12 of any mortgage or loan insured under this section, and at
13 such time or times prior to such termination as the Commis-
14 sioner may determine, the Commissioner is authorized to
15 distribute to the mortgagor or borrower a share of the Par-
16 ticipating Reserve Account in such manner and amount as
17 the Commissioner shall determine to be equitable and in ac-
18 cordance with sound actuarial and accounting practice: *Pro-*
19 *vided*, That in no event shall the amount of the distributable
20 share exceed the aggregate scheduled annual premiums of the
21 mortgagor or borrower to the year of payment of the share
22 less the total amount of any share or shares previously dis-
23 tributed by the Commissioner to the mortgagor or borrower:
24 *And provided further*, That in no event may a distributable
25 share be distributed until any funds transferred to the Man-

1 agement Fund pursuant to section 219 have been repaid in
2 full to the transferring fund. No mortgagor, mortgagee,
3 borrower, or lender shall have any vested right in a credit
4 balance in any such account or be subject to any liability
5 arising out of the mutuality of the Management Fund. The
6 determination of the Commissioner as to the amount to be
7 paid by him to any mortgagor or borrower shall be final and
8 conclusive.

9 “(m) The Commissioner is authorized to transfer to the
10 Management Fund commitments for insurance issued under
11 subsections (a) (1), (i), and (j) prior to the date of the
12 enactment of this subsection, and to transfer to the Manage-
13 ment Fund the insurance of any mortgage or loan insured
14 prior to the date of the enactment of this subsection under
15 subsection (a) (1), (a) (3) (if the project is acquired by a
16 cooperative corporation), (i), or (j), but only in cases where
17 the consent of the mortgagee or lender to the transfer is
18 obtained or a request by the mortgagee or lender for the
19 transfer is received by the Commissioner within such period
20 of time after the date of the enactment of this subsection as
21 the Commissioner shall prescribe: *Provided*, That the insur-
22 ance of any mortgage or loan shall not be transferred under
23 the provisions of this subsection if on the date of the enact-
24 ment of this subsection the mortgage or loan is in default and
25 the mortgagee or lender has notified the Commissioner in

1 writing of its intention to file an insurance claim. Any
2 insurance or commitment not so transferred shall continue to
3 be an obligation of the Housing Insurance Fund.

4 “(n) Notwithstanding the limitations contained in
5 other provisions of this Act, premium charges for mortgages
6 or loans insured under sections 207, 213, 231, and 232 may
7 be payable in debentures issued in connection with mort-
8 gages or loans transferred to the Management Fund or in
9 connection with mortgages or loans insured pursuant to com-
10 mitments transferred to the Management Fund, as provided
11 in subsection (m) of this section.”

12 (b) Section 213 of such Act is further amended—

13 (1) by inserting before the period at the end of
14 subsection (a) the following: “: *Provided*, That as ap-
15 plied to mortgages the mortgage insurance for which is
16 the obligation of the Management Fund, the reference
17 to the Housing Fund in section 207 (b) (2) shall be
18 construed to refer to the Management Fund”; and

19 (2) by inserting before the period at the end of
20 subsection (e) the following: “: *Provided*, That as ap-
21 plied to mortgages or loans the insurance for which is
22 the obligation of the Management Fund (1) all refer-
23 ences to the Housing Insurance Fund or Housing Fund
24 shall be construed to refer to the Management Fund, and
25 (2) all references to section 207 shall be construed to

1 refer to subsections (a) (1), (a) (3) (if the project
2 involved is acquired by a cooperative corporation), (i),
3 and (j) of this section”.

4 (c) Section 207 (f) of such Act is amended by inserting
5 at the end thereof the following new sentence: “This sub-
6 section shall not be applicable to a mortgage or loan, insured
7 under section 213, the mortgage or loan insurance for which
8 is the obligation of the Cooperative Management Housing
9 Insurance Fund.”

10 (d) Section 219 of such Act is amended by striking out
11 “or the Servicemen’s Mortgage Insurance Fund” and in-
12 serting in lieu thereof “the Servicemen’s Mortgage Insurance
13 Fund, or the General Surplus Account of the Cooperative
14 Management Housing Insurance Fund”.

15 MORTGAGE LIMITS UNDER SECTION 220 SALES HOUSING

16 MORTGAGE INSURANCE PROGRAM

17 SEC. 108. Section 220 (d) (3) (A) (i) of the National
18 Housing Act is amended—

19 (1) by striking out “\$25,000”, “\$27,500”,
20 “\$30,000”, “\$35,000”, and “\$35,000” and inserting
21 in lieu thereof “\$30,000”, “\$32,500”, “\$32,500”,
22 “\$37,500”, and “\$37,500”, respectively; and

23 (2) by striking out “90 per centum”, “90 per
24 centum”, and “75 per centum” and inserting in lieu

1 thereof “92 per centum”, $92\frac{1}{2}$ per centum”, and “80
2 per centum”, respectively.

3 MORTGAGE LIMITS UNDER SECTION 220 MULTIFAMILY
4 HOUSING MORTGAGE INSURANCE PROGRAM

5 SEC. 109. Section 220 (d) (3) (B) (i) of the National
6 Housing Act is amended by striking out “\$20,000,000” and
7 inserting in lieu thereof “\$30,000,000”.

8 LOANS TO COVER THE COST OF PUBLIC IMPROVEMENTS

9 SEC. 110. (a) The second sentence of section 220 (h)
10 (1) of the National Housing Act is amended to read as
11 follows: “As used in this subsection—

12 “(A) the term ‘home improvement loan’ means
13 a loan, advance of credit, or purchase of an obligation
14 representing a loan or advance of credit made—

15 “(i) for the purpose of financing the improve-
16 ment of an existing structure (or in connection with
17 an existing structure) which was constructed not
18 less than ten years prior to the making of such loan,
19 advance of credit, or purchase, and which is used or
20 will be used primarily for residential purposes:
21 *Provided*, That a home improvement loan shall in-
22 clude a loan, advance, or purchase with respect to
23 the improvement of a structure which was construct-

1 ed less than ten years prior to the making of such
2 loan, advance, or purchase if the proceeds are or
3 will be used primarily for major structural improve-
4 ments, or to correct defects which were not known
5 at the time of the completion of the structure or
6 which were caused by fire, flood, windstorm, or
7 other casualty; or

8 “(ii) for the purpose of enabling the borrower
9 to pay that part of the cost of the construction or
10 installation of sidewalks, curbs, gutters, street pav-
11 ing, street lights, sewers, or other public improve-
12 ments, adjacent to or in the vicinity of property
13 owned by him and used primarily for residential
14 purposes, which is assessed against him or for which
15 he is otherwise legally liable as the owner of such
16 property;

17 “(B) the term ‘improvement’ means conservation,
18 repair, restoration, rehabilitation, conversion, alteration
19 enlargement, or remodeling; and

20 “(C) the term ‘financial institution’ means a lender
21 approved by the Commissioner as eligible for insurance
22 under section 2 or a mortgagee approved under section
23 203 (b) (1).”

1 (b) Section 220 (h) (2) (i) of such Act is amended by
2 inserting before the semicolon at the end thereof the follow-
3 ing: “, and be limited as required by paragraph (11)”.

4 (c) Section 220 (h) of such Act is further amended
5 by adding at the end thereof the following new paragraph:

6 “(11) Notwithstanding any other provision of this Act,
7 no home improvement loan made in whole or in part for the
8 purpose specified in clause (A) (ii) of the second sentence
9 of paragraph (1) shall be insured under this subsection if
10 such loan (or the portion thereof which is attributable to such
11 purpose), when added to the aggregate principal balance of
12 any outstanding loans insured under this subsection or section
13 203 (k) which were made to the same borrower for the pur-
14 pose so specified (or the portion of such aggregate balance
15 which is attributable to such purpose), would exceed
16 \$10,000.”

17 HOME IMPROVEMENT LOANS ON PROPERTY HELD UNDER
18 LEASE

19 SEC. 111. Section 220 (h) (2) (vi) of the National
20 Housing Act is amended by striking out “a period of not less
21 than 50 years to run from the date of the loan” and inserting
22 in lieu thereof “an expiration date in excess of 5 years later
23 than the maturity date of the loan”.

PRIVATE MORTGAGORS UNDER SECTION 221(d)(3)

SEC. 112. Section 221 (d) (3) of the National Housing Act is further amended by inserting after “section” in the matter preceding clause (i) the following: “, or a mortgagor approved by the Commissioner which (A) as a condition of obtaining the insurance of a mortgage under this section, and prior to the submission of its application for such insurance, has entered into an agreement, in form and substance satisfactory to the Commissioner, to sell the property or project covered by such mortgage (upon its completion) to a private nonprofit corporation, association, or other mortgagor approved by the Commissioner at the actual cost of the property or project as certified pursuant to section 227, and (B) is regulated or supervised by the Commissioner, under a regulatory agreement or otherwise, as to rents, charges, and methods of operation in such form and in such manner as in the opinion of the Commissioner will effectuate the purposes of this section”.

MORTGAGE INSURANCE FOR SERVICEMEN

SEC. 113. Section 222 (b) of the National Housing Act is amended—

(1) by striking out “203 (b) or 203 (i)” in para-

1 graph (1) and inserting in lieu thereof "203 (b),
2 203 (i), or 221 (d) (2)," ; and

3 (2) by striking out "such principal obligation shall
4 not exceed \$9,000" in paragraph (2) and inserting
5 in lieu thereof "or section 221 (d) (2) such principal
6 obligation shall not exceed the maximum limits pre-
7 scribed for such section".

8 PRIVATE FINANCING OF SALE OF FHA-ACQUIRED

9 PROPERTIES

10 SEC. 114. Section 223 (c) of the National Housing Act
11 is amended by striking out "limitation upon eligibility con-
12 tained in this title II" and inserting in lieu thereof the fol-
13 lowing: "limitations or requirements contained in this title
14 upon the eligibility of the mortgage, upon the payment of
15 insurance premiums, or upon the terms and conditions of
16 insurance settlement and the benefits of the insurance to be
17 included in such settlement (except that in any case the
18 payment of insurance shall be in debentures)".

19 MORTGAGE INSURANCE FOR NONPROFIT NURSING HOMES

20 SEC. 115. Section 232 (b) (1) of the National Housing
21 Act is amended by inserting after "proprietary facility" the
22 following: "or facility of a private nonprofit corporation or
23 association".

EXPERIMENTAL HOUSING

SEC. 116. (a) Section 233 (a) of the National Housing Act is amended by striking out “, in the case of mortgages insured under subsection (b) (2) of this section,”.

(b) Section 233 (b) of such Act is amended to read as follows:

“(b) To be eligible for insurance under this section, a mortgage shall meet the requirements of one of the other sections of this title; except that, in determining the appraised value or the replacement cost of the property in cases involving new construction or the estimated cost of repair and rehabilitation or improvement in cases involving existing properties, the Commissioner’s estimate may be based upon an estimate of the cost of replacing the property using comparable conventional design, materials, and construction, and any limitation upon the maximum mortgage amount available to a nonoccupant owner shall not, in the discretion of the Commissioner, be applicable to mortgages insured under this section.”

(c) Section 233 of such Act is further amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

“(e) Any mortgagee under a mortgage insured under

1 subsection (b) shall be entitled to insurance benefits deter-
2 mined in the same manner as such benefits would be deter-
3 mined if such mortgage or loan were insured under the
4 section of this title for which it otherwise would have been
5 eligible except for the experimental feature of the property
6 involved.”

7 (d) Section 233 of such Act is further amended by
8 redesignating subsections (g) and (h) as subsections (f)
9 and (g), respectively, and by striking out “subsections (e)
10 and (f)” in the first sentence of the subsection so redesign-
11 ated as subsection (f) and inserting in lieu thereof “sub-
12 section (e)”.

13 MORTGAGE INSURANCE FOR CONDOMINIUMS

14 SEC. 117. (a) Section 234 of the National Housing
15 Act is amended—

16 (1) by striking out the heading and inserting in
17 lieu thereof “MORTGAGE INSURANCE FOR CONDO-
18 MINIUMS”;

19 (2) by striking out “structure” each place it ap-
20 pears and inserting in lieu thereof “project” (and by
21 striking out “structures” in the last sentence of subsec-
22 tion (c) and inserting in lieu thereof “projects”);

23 (3) by striking out “the term ‘mortgage’ for the
24 purposes of this section” in subsection (b) and insert-

ing in lieu thereof “the term ‘mortgage’ for the purposes of subsection (c)”;

(4) (A) by striking out “this section” each time it appears in subsection (c) and inserting in lieu thereof “this subsection”;

(B) by striking out “under another section” in the first sentence of subsection (c) and inserting in lieu thereof “under any section”;

(5) by striking out “section 213” each time it appears in subsection (c) and inserting in lieu thereof “section 213 (a) (1) and (2)”;

(6) by striking out the third sentence of subsection (c) and inserting in lieu thereof the following: “To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed \$30,000, and not to exceed the sum of (i) 97 per centum of \$15,000 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of \$15,000 but not in excess of \$20,000, and (iii) 80 per centum of such value in excess of \$20,000, and (B)

1 have a maturity satisfactory to the Commissioner, but
2 not to exceed, in any event, thirty-five years from the
3 date of the beginning of amortization of the mortgage
4 or three-fourths of the Commissioner's estimate of the
5 remaining economic life of the project, whichever is the
6 lesser.”;

7 (7) by redesignating subsection (d) as subsection
8 (g), by redesignating subsections (e) and (f) as sub-
9 sections (i) and (j), respectively, and by inserting after
10 subsection (c) the following new subsections:

11 “(d) In addition to individual mortgages insured under
12 subsection (c), the Commissioner is authorized, in his dis-
13 cretion and under such terms and conditions as he may pre-
14 scribe, to insure blanket mortgages (including advances on
15 such mortgages during construction) which cover multifamily
16 projects to be constructed or rehabilitated in cases where the
17 mortgage is held by a mortgagor, approved by the Commis-
18 sioner, which—

19 “(1) has certified to the Commissioner, as a con-
20 dition of obtaining the insurance of a blanket mortgage
21 under this subsection, that upon completion of the
22 multifamily project covered by such mortgage it intends
23 to commit the ownership of the multifamily project to
24 a plan of family unit ownership under which each family
25 unit would be eligible for individual mortgage insurance

1 under subsection (c) and will faithfully and diligently
2 make and carry out all reasonable efforts to establish
3 such plan of family unit ownership and to sell such
4 family units to purchasers approved by the Commis-
5 sioner; and

6 “(2) shall be regulated or restricted by the Commis-
7 sioner as to rents, charges, capital structure, rate of re-
8 turn, and methods of operation until the termination of
9 all obligations of the Commissioner under the insurance
10 and during such further period of time as the Commis-
11 sioner shall be the owner, holder, or reinsurer of the
12 mortgage. The Commissioner may make such contracts
13 with and acquire for not to exceed \$100 such stock or
14 interest in such mortgagor as he may deem necessary
15 to render effective the regulation and restriction of such
16 mortgagor. The stock or interest acquired by the Com-
17 missioner shall be paid for out of the Apartment Unit
18 Insurance Fund, and shall be redeemed by the mortgagor
19 at par at any time upon the request of the Commissioner
20 after the termination of all obligations of the Commis-
21 sioner under the insurance.

22 “(e) To be eligible for insurance, a blanket mortgage
23 on any multifamily project of a mortgagor of the character
24 described in subsection (d) shall involve a principal obliga-
25 tion in an amount—

1 “(1) not to exceed \$20,000,000, or not to exceed
2 \$25,000,000 if the mortgage is executed by a mortgagor
3 regulated or supervised, under Federal or State law or
4 by a political subdivision of a State or an agency thereof,
5 as to rents, charges, and methods of operation;

6 “(2) not to exceed 90 per centum of the amount
7 which the Commissioner estimates will be the replace-
8 ment cost of the project when the proposed physical
9 improvements are completed;

10 “(3) not to exceed, for such part of the project as
11 may be attributable to dwelling use (excluding exterior
12 land improvements as defined by the Commissioner),
13 \$9,000 per family unit without a bedroom, \$12,500 per
14 family unit with one bedroom, \$15,000 per family unit
15 with two bedrooms, and \$18,500 per family unit with
16 three or more bedrooms; except that as to projects to
17 consist of elevator-type structures the Commissioner
18 may, in his discretion, increase the dollar amount limita-
19 tions per family unit to not to exceed \$10,500 per family
20 unit without a bedroom, \$15,000 per family unit with
21 one bedroom, \$18,000 per family unit with two bed-
22 rooms, and \$22,500 per family unit with three or more
23 bedrooms, as the case may be, to compensate for the
24 higher costs incident to the construction of elevator-type
25 structures of sound standards of construction and design;

1 and except that the Commissioner may, by regulation,
2 increase any of the foregoing dollar amount limitations
3 contained in this paragraph by not to exceed 30 per
4 centum in any geographical area where he finds that
5 cost levels so require; and

6 “(4) not to exceed an amount equal to the sum
7 of the unit mortgage amounts determined under the
8 provisions of subsection (c) assuming the mortgagor
9 to be the owner and occupant of each family unit.

10 “(f) Any blanket mortgage insured under subsection
11 (d) shall provide for complete amortization by periodic
12 payments within such term as the Commissioner may
13 prescribe but not to exceed forty years from the begin-
14 ning of amortization of the mortgage, and shall bear interest
15 (exclusive of premium charges for insurance) at not to
16 exceed $5\frac{1}{4}$ per centum per annum on the amount of the
17 principal obligation outstanding at any time. The Com-
18 missioner may consent to the release of a part or parts of the
19 mortgaged property from the lien of the blanket mortgage
20 upon such terms and conditions as he may prescribe and the
21 blanket mortgage may provide for such release. The
22 project covered by the blanket mortgage may include five
23 or more family units and such commercial and community
24 facilities as the Commissioner deems adequate to serve the
25 occupants.”;

1 (8) by striking out “this section” each time it ap-
2 pears in the subsection redesignated as subsection (g)
3 by paragraph (7) of this subsection and inserting in
4 lieu thereof “subsection (c) of this section”;

5 (9) by inserting after the subsection redesignated
6 as subsection (g) by paragraph (7) of this subsection
7 the following new subsection:

8 “(h) The provisions of subsections (d), (e), (g), (h),
9 (i), (j), (k), (l), (m), (n), and (p) of section 207 shall
10 be applicable to mortgages insured under subsection (d) of
11 this section, except that all references to the Housing Insur-
12 ance Fund, or Housing Fund, shall be construed to refer to
13 the Apartment Unit Insurance Fund.”; and

14 (10) by amending the subsection redesignated as
15 subsection (j) by paragraph (7) of this subsection to
16 read as follows:

17 “(j) The provisions of sections 225 and 230 shall be
18 applicable to the mortgages insured under subsection (c) of
19 this section.”

20 (b) Section 212 (a) of such Act is amended by adding
21 at the end thereof the following new sentence: “The provi-
22 sions of this section shall also apply to the insurance of any
23 mortgage under section 234 (d).”

24 (c) Section 227 (a) of such Act is amended by striking

1 out "or (vii)" and inserting in lieu thereof "(vii)", and by
2 inserting before the semicolon at the end thereof ", or (viii)
3 under section 234 (d)".

4 PREPAYMENT OF MORTGAGES BY NONPROFIT EDUCATIONAL
5 INSTITUTIONS

6 SEC. 118. Title V of the National Housing Act is
7 amended by adding at the end thereof the following new
8 section:

9 "PREPAYMENT OF MORTGAGES BY NONPROFIT
10 EDUCATIONAL INSTITUTIONS

11 "SEC. 517. (a) Notwithstanding any other provision
12 of this Act, no adjusted premium charge shall be collected
13 in connection with the payment in full, prior to maturity,
14 of any mortgage insured under this Act, if the mortgagor
15 certifies to the Commissioner that the loan was paid in full
16 by or on behalf of a nonprofit educational institution which
17 intends to use the property for educational purposes.

18 "(b) The Commissioner shall refund any adjusted
19 premium charge collected subsequent to July 1, 1962, and
20 prior to the date of the enactment of the Housing Act of
21 1964, in connection with the payment in full, prior to ma-
22 turity, of any mortgage insured under this Act, if the mort-
23 gator under such mortgage makes the certification pre-
24 scribed by subsection (a)."

1 INCREASE IN NUMBER OF UNITS INSURABLE UNDER
2 SECTION 810 PROGRAM

3 SEC. 119. Section 810 (i) of the National Housing Act
4 is amended by striking out "five thousand dwelling units"
5 and inserting in lieu thereof "ten thousand dwelling units".

6 TITLE II- HOUSING FOR THE ELDERLY AND
7 HANDICAPPED

8 HOUSING FOR THE ELDERLY—LOAN PROGRAM

9 SEC. 201. Section 202 (a) (4) of the Housing Act
10 of 1959 is amended by striking out "\$275,000,000" and
11 inserting in lieu thereof "\$350,000,000".

12 FHA SECTION 221 HOUSING FOR LOW- OR MODERATE-
13 INCOME ELDERLY PERSONS

14 SEC. 202. Section 221 (f) of the National Housing Act
15 is amended by adding at the end thereof the following new
16 sentence: "Any person sixty-two years of age or over shall
17 be deemed to be a family within the meaning of the terms
18 'family' and 'families' as those terms are used in this section."

19 HOUSING FOR THE HANDICAPPED

20 SEC. 203. (a) (1) The heading of title II of the Hous-
21 ing Act of 1959 is amended by striking out "HOUSING
22 FOR THE ELDERLY" and inserting in lieu thereof
23 "HOUSING FOR THE ELDERLY OR HANDI-
24 CAPPED".

(2) Section 202 of such Act is amended—

(A) by striking out “elderly families and elderly persons” wherever it appears in subsections (a) (1), (a) (2), and (e) and inserting in lieu thereof in each instance “elderly or handicapped families”;

(B) by amending subsection (d) (1) to read as follows:

“(1) The term ‘housing’ means structures suitable for dwelling use by elderly or handicapped families which are (A) new structures, or (B) provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families.”;

(C) by striking out the first sentence of subsection (d) (4) and inserting in lieu thereof the following:

“The term ‘elderly or handicapped families’ means families which consist of two or more persons and the head of which (or his spouse) is sixty-two years of age or over or is handicapped, and such term also means a single person who is sixty-two years of age or over or is handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Administrator, to

1 have a physical impairment which (A) is expected to
2 be of long-continued and indefinite duration, (B) sub-
3 stantially impedes his ability to live independently,
4 and (C) is of such a nature that such ability could be
5 improved by more suitable housing conditions.”;

6 (D) by inserting before the period at the end of
7 subsection (d) (7) the following: “or rehabilitation,
8 alteration, conversion, or improvement of existing struc-
9 tures”; and

10 (E) by amending subsection (d) (8) to read as
11 follows:

12 “(8) The term ‘related facilities’ means (A) new
13 structures suitable for use by elderly or handicapped
14 families as cafeterias or dining halls, community rooms
15 or buildings, workshops, or infirmaries or other inpa-
16 tient or outpatient health facilities, or other essential
17 service facilities, and (B) structures suitable for the
18 above uses provided by rehabilitation, alteration, con-
19 version, or improvement of existing structures which are
20 otherwise inadequate for such uses.”

21 (b) The last sentence of section 221 (f) of the National
22 Housing Act (as added by section 202 of this Act) is
23 amended by striking out “person sixty-two years of age or
24 over” and inserting in lieu thereof “person who is sixty-two

1 years of age or over, or who is a handicapped person within
2 the meaning of section 202 of the Housing Act of 1959,”.

3 (c) Section 231 of such Act is amended by adding at
4 the end thereof the following new subsection:

5 “(f) Notwithstanding any of the provisions of this sec-
6 tion, the housing provided under this section may include
7 family units which are specially designed for the use and
8 occupancy of any person or family qualifying as a handi-
9 capped family as defined in section 202 of the Housing Act
10 of 1959, and such special facilities as the Commissioner deems
11 adequate to serve handicapped families (as so defined). The
12 Commissioner may also prescribe procedures to secure to such
13 families preference or priority of opportunity to rent the liv-
14 ing units specially designed for their use and occupancy.”

15 (d) The second sentence of section 2 (2) of the United
16 States Housing Act of 1937 (as amended by section
17 401 (a) of this Act) is amended by inserting after “and in-
18 cludes” the following: “a single person who is handicapped
19 within the meaning of section 202 of the Housing Act of
20 1959 or who is”.

21 (e) Section 207 of the Housing Act of 1961 (as
22 amended by section 407 of this Act) is further amended by
23 inserting before the period at the end of the first sentence
24 the following: “and of demonstrating the types of housing

1 and the means of providing housing that will assist low in-
2 come persons or families who qualify as handicapped families
3 as defined in section 202 of the Housing Act of 1959”.

4 TITLE III—URBAN RENEWAL

5 CAPITAL GRANT AUTHORIZATION

6 SEC. 301. Section 103 (b) of the Housing Act of 1949
7 is amended by striking out “not to exceed \$4,000,000,000”
8 and inserting in lieu thereof “not to exceed \$4,600,000,000”.

9 CODE ENFORCEMENT

10 SEC. 302. (a) The first sentence of section 110 (c) of
11 the Housing Act of 1949 is amended by inserting after “or
12 rehabilitation or conservation in an urban renewal area,” the
13 following: “or a program of code enforcement in an urban
14 renewal area,”.

15 (b) (1) Paragraph (5) of the second sentence of
16 section 110 (c) of such Act is amended (1) by striking out
17 “a program of” and inserting in lieu thereof “programs of
18 code enforcement or”, and (2) by adding before the semi-
19 colon at the end of such paragraph the following: “: *Provided*,
20 That no program of code enforcement shall be included as
21 part of an urban renewal project unless the locality shall
22 agree to increase its total expenditures with respect to code
23 enforcement, during the period such project is under contract
24 for a loan or capital grant, by an amount equal to the re-

1 quired local grants-in-aid with respect to the code enforce-
2 ment included as part of such project”.

3 (2) Any contract for a capital grant under title I of the
4 Housing Act of 1949 executed prior to the date of the enact-
5 ment of this Act may be amended to incorporate the provi-
6 sions of paragraph (1) for costs incurred on or after such
7 date.

8 (c) Section 101 (c) of such Act is amended by adding
9 at the end thereof the following new sentence: “Commenc-
10 ing three years from the date of the enactment of the Hous-
11 ing Act of 1964, no workable program will be certified or re-
12 certified unless the locality has had in effect for at least six
13 months prior to such certification or recertification a mini-
14 mum standards housing code, related but not limited to
15 health, sanitation, and occupancy requirements, which is
16 deemed adequate by the Administrator; and unless the Ad-
17 ministrator is satisfied that the locality is carrying out an
18 effective program of enforcement to achieve compliance
19 with such housing code.”

20 RELOCATION OF DISPLACEES FROM URBAN RENEWAL AREAS

21 SEC. 303. (a) (1) Section 105 (c) of the Housing Act
22 of 1949 is amended by striking out “families” wherever it
23 appears and inserting in lieu thereof “individuals and
24 families”.

1 (2) The requirement imposed by the amendments made
2 by paragraph (1) shall not be applicable to any project
3 receiving Federal recognition prior to the date of the enact-
4 ment of this Act.

5 (b) Section 105 (c) of such Act is further amended by
6 inserting before the period at the end thereof the following:
7 “: *Provided*, That the Administrator shall issue rules and
8 regulations to aid in implementing the requirements of this
9 subsection and in otherwise achieving the objectives of this
10 title which shall require that there be established, at the earli-
11 est practicable time, for each urban renewal project involv-
12 ing the displacement of families, individuals, or business con-
13 cerns occupying property in an urban renewal area, a reloca-
14 tion assistance program which shall include such measures,
15 facilities, and services as may be necessary or appropriate in
16 order (1) to determine the needs of such families, individu-
17 als, and business concerns for relocation assistance, (2) to pro-
18 vide information and assistance to aid in relocation and other-
19 wise minimize the hardships of displacement, and (3) to
20 assure the necessary coordination of relocation activities
21 with other project activities and other planned or proposed
22 governmental actions in the community which may affect
23 the carrying out of the relocation program”.

24 (c) Section 114 (e) of such Act (as added by section
25 306 of this Act and redesignated by section 317 of this Act)

1 is amended by adding at the end thereof the following
2 new sentence: "Such regulations shall include provisions
3 to assure that relocation payments, as authorized by this
4 section, shall be made as promptly as possible to all
5 families, individuals, business concerns, and nonprofit orga-
6 nizations found to be eligible for such payments by reason
7 of their having been displaced from property in the urban
8 renewal area, without regard to any subsequent proceedings,
9 determinations, or events relating to such property which do
10 not bear upon whether such displacement in fact occurred."

11 (d) Section 8 (b) of the Small Business Act is
12 amended—

13 (1) by striking out "and" at the end of paragraph
14 (12) ;

15 (2) by striking out the period at the end of
16 paragraph (13) and inserting in lieu thereof "; and ";
17 and

18 (3) by adding after paragraph (13) the follow-
19 ing new paragraph:

20 "(14) to provide at the earliest practicable time
21 such information and assistance as may be appropriate,
22 including information concerning eligibility for loans
23 under section 7 (b) (3), to local public agencies (as
24 defined in section 110 (h) of the Housing Act of 1949)
25 and to small-business concerns to be displaced by feder-

1 ally aided urban renewal projects in order to assist such
2 small-business concerns in reestablishing their opera-
3 tions.”

4 DISPOSAL OF LAND FOR LOW- AND MODERATE-INCOME
5 HOUSING

6 SEC. 304. Subsections (a) and (b) of section 107 of
7 the Housing Act of 1949 are amended to read as follows:

8 “(a) Upon approval of the Administrator and subject
9 to such conditions as he may determine to be in the public
10 interest, any real property held as part of an urban renewal
11 project may be made available to (1) a limited dividend
12 corporation, nonprofit corporation or association, coopera-
13 tive, or public body or agency, or (2) a purchaser who
14 would be eligible for a mortgage insured under section 221
15 (d) (4) of the National Housing Act, for purchase at fair
16 value for use by such purchaser in the provision of new or
17 rehabilitated rental or cooperative housing for occupancy
18 by families or individuals of moderate income.

19 “(b) When it appears in the public interest that real
20 property acquired as part of an urban renewal project should
21 be used in whole or in part for a low-rent housing project
22 assisted under the United States Housing Act of 1937, or
23 under a State or local program found by the Administrator
24 to have the same general purposes as the Federal program
25 under such Act, the property shall be made available to the

1 public housing agency undertaking the low-rent housing
2 project at a price equal to its fair value, as determined in
3 accordance with subsection (a), and such amount shall be
4 included as part of the development cost of such low-rent
5 housing project: *Provided*, That the local contribution in the
6 form of tax exemption or tax remission required by section
7 10 (h) of such Act, or by analogous provisions in legislation
8 authorizing such State or local program, with respect to the
9 low-rent housing project into which such property was incor-
10 porated on or after September 23, 1959, shall (if covered by
11 a contract which, in the determination of the Public Housing
12 Commissioner, will assure that such local contribution
13 will be made during the entire period that the project
14 is used as low-rent housing within the meaning of such
15 Act, or by provisions found by the Administrator to
16 give equivalent assurance in the case of State or local pro-
17 grams) be accepted as a local grant-in-aid equal in amount,
18 as determined by the Administrator, to one-half (or one-
19 third in the case of an urban renewal project on a three-
20 fourths capital grant basis) of the difference between the cost
21 of such property (including costs of land, clearance, site
22 improvements, and a share, prorated on an area basis, of
23 administrative, interest, and other project costs) and its sales
24 price, and shall be considered a local grant-in-aid furnished

1 in a form other than cash within the meaning of section
2 110 (d) of this Act.”

3 REHABILITATION OF PROPERTY IN URBAN RENEWAL AREAS

4 SEC. 305. Section 110 (c) of the Housing Act of 1949
5 is amended by adding immediately after and below paragraph
6 (7) the following new paragraph:

7 “Notwithstanding any other provision of this title, no
8 contract shall be entered into for any loan or capital grant
9 under this title for any project which provides for demolition
10 and removal of buildings and improvements unless the Ad-
11 ministrator determines that the objectives of the urban re-
12 newal plan could not be achieved through rehabilitation of
13 the project area.”

14 RELOCATION PAYMENTS TO DISPLACED PERSONS AND
15 BUSINESSES

16 SEC. 306. (a) Title I of the Housing Act of 1949 is
17 amended by adding at the end thereof the following new
18 section:

19 “RELOCATION

20 “SEC. 114. (a) Notwithstanding any other provision
21 of this title, an urban renewal project may include the mak-
22 ing of payments as prescribed in this section to displaced
23 individuals, families, business concerns, and nonprofit orga-
24 nizations; and any contract for financial assistance under
25 this title shall provide that the capital grant otherwise pay-

1 able for the project shall be increased by an amount equal to
2 such payments and that no part of the amount of such pay-
3 ments shall be required to be contributed as part of the local
4 grant-in-aid. As used in this section, 'displaced' refers to
5 displacement from an urban renewal area made necessary by
6 (1) the acquisition of real property by a local public agency
7 or by any other public body, (2) code enforcement activities
8 undertaken in connection with an urban renewal project, or
9 (3) a program of voluntary rehabilitation of buildings or
10 other improvements in accordance with an urban renewal
11 plan.

12 " (b) A local public agency may pay to any displaced
13 business concern or nonprofit organization—

14 " (1) its reasonable and necessary moving expenses
15 and any actual direct losses of property except goodwill
16 or profit (which are incurred on and after August 7,
17 1956, and for which reimbursement or compensation
18 is not otherwise made) : *Provided*, That such payment
19 shall not exceed \$3,000 (or, if greater, the total certi-
20 fied actual moving expenses) ; and

21 " (2) an additional \$1,000 in the case of a private
22 business concern with average annual net earnings of
23 less than \$10,000 per year which (A) was doing busi-
24 ness in a location in the urban renewal area on the date
25 of local approval of the urban renewal plan (or of ac-

1 quisition of the real property under the third sentence of
2 section 102 (a)), (B) is displaced on or after January
3 27, 1964, and (C) is not part of an enterprise having
4 establishments outside the urban renewal area.

5 “(c) (1) A local public agency may pay to any dis-
6 placed individual or family his or its reasonable and neces-
7 sary moving expenses and any actual direct losses of prop-
8 erty (which are incurred on and after August 7, 1956, and
9 for which reimbursement or compensation is not otherwise
10 made) : *Provided*, That such payment shall not exceed
11 \$200: *And provided further*, That the Administrator may
12 authorize payment to individuals and families of fixed
13 amounts (not to exceed \$200 in any case) in lieu of their
14 respective reasonable and necessary moving expenses and
15 actual direct losses of property.

16 “(2) A local public agency may pay (in addition to
17 any amount under paragraph (1)), to or on behalf of any
18 displaced individual or family, the monthly rental (or mort-
19 gage payment) required for the dwelling accommodations
20 in which such individual or family is relocated during the
21 first three months (after displacement) for which such
22 rental (or payment) is due; except that no amount in ex-
23 cess of \$200 shall be paid under this paragraph to or on be-
24 half of any displaced individual or family, and payments

1 under this paragraph shall be available only in the case of
2 individuals and families displaced on or after January 27,
3 1964.

4 “(d) The Administrator is authorized to establish such
5 rules and regulations as he may deem appropriate in carry-
6 ing out the provisions of this section.”

7 (b) Any contract with a local public agency which was
8 executed under title I of the Housing Act of 1949 before
9 the date of the enactment of this Act may be amended to
10 provide for payments authorized by section 114 of the Hous-
11 ing Act of 1949.

12 (c) Section 106 of the Housing Act of 1949 is amended
13 by striking out subsection (f).

14 INCENTIVES FOR LOCAL REALTY TAX ABATEMENT FOR
15 SECTION 221(d)(3) PROJECTS

16 SEC. 307. Section 110(d) of the Housing Act of
17 1949 is amended by striking out “and (3)” and inserting
18 in lieu thereof the following: “(3) the amount of any abate-
19 ment of realty taxes granted by appropriate authority in
20 reduction of realty taxes which would, except for such abate-
21 ment, be payable by a project the mortgage on which is
22 insured under section 221 of the National Housing Act and
23 bears an interest rate fixed pursuant to the proviso in section
24 221(d)(5) of such Act; and (4)”.

REHABILITATION LOANS

SEC. 308. (a) To assist rehabilitation in an urban renewal area and thereby reduce the need for demolition and removal of structures, the Housing and Home Finance Administrator is hereby authorized, through the utilization of local public and private agencies where feasible, to make loans as herein provided to the owners or tenants of property in such area to finance rehabilitation required to make the property conform to applicable code requirements or to carry out the objectives of the urban renewal plan for the area. No loan shall be made under this section unless the Administrator finds (1) that the applicant is unable to secure the necessary funds from other sources upon reasonable terms and conditions, and (2) the loan is an acceptable risk taking into consideration the need for the rehabilitation, the security available for the loan, and the ability of the applicant to repay the loan.

(b) For the purposes of this section—

(1) the term “rehabilitation” means the improvement or repair of a structure or facilities in connection with a structure, and may include the provision of such sanitary or other facilities as are required by applicable codes or the urban renewal plan to be provided by the owner or tenant of the property;

(2) the term “urban renewal area” means a slum

1 area or a blighted, deteriorated, or deteriorating area as
2 defined in section 110 (a) of the Housing Act of 1949;

3 (3) the term "tenant" means a person or organiza-
4 tion who is occupying a structure under a lease having
5 a period to run at the time a rehabilitation loan is made
6 under this section of not less than the term of the loan;
7 and

8 (4) the term "Administrator" means the Housing
9 and Home Finance Administrator.

10 (c) A rehabilitation loan made under this section shall
11 be subject to the following limitations:

12 (1) The loan shall be subject to such terms and condi-
13 tions as may be prescribed by the Administrator.

14 (2) The term of the loan may not exceed fifteen years
15 or three-fourths of the remaining economic life of the struc-
16 ture after rehabilitation, whichever is less.

17 (3) The loan shall bear interest at such rate as the Ad-
18 ministrator determines to be appropriate but not to exceed
19 3 per centum per annum of the amount of the principal out-
20 standing at any time, and the Administrator may prescribe
21 such other charges as he finds necessary, including service
22 charges and appraisal, inspection, and other fees.

23 (4) The amount of the loan may not exceed—

24 (A) in the case of residential property, the amount
25 of a loan which could be insured by the Federal Hous-

1 ing Commissioner under section 220 (h) of the National
2 Housing Act; and

3 (B) in the case of nonresidential property, \$50,000,
4 or the cost of rehabilitation, or an amount which when
5 added to any outstanding indebtedness related to the
6 property securing the loan creates a total outstanding
7 indebtedness that exceeds the amount of a loan which
8 the Administrator determines could be reasonably se-
9 cured by a first mortgage on the property.

10 (5) A loan shall be secured as determined by the Ad-
11 ministrator.

12 (d) There is authorized to be appropriated not to ex-
13 ceed \$50,000,000 which shall constitute a revolving fund
14 to be used by the Administrator in carrying out this section.

15 (e) In the performance of, and with respect to, the
16 functions, powers, and duties vested in him by this section,
17 the Administrator shall have (in addition to any authority
18 otherwise vested in him) the functions, powers, and duties
19 set forth in section 402 of the Housing Act of 1950 (except
20 subsection (c) (2)).

21 (f) The Administrator is authorized to delegate to or use
22 as his agent any local public or private agency or organiza-
23 tion to the extent he determines appropriate and desirable
24 to carry out the objectives of this section in the area involved.

25 (g) The Administrator is authorized to issue such rules

1 and regulations and impose such requirements and conditions
2 (in addition to those specified in this section) as he deter-
3 mines to be desirable to carry out the objectives of this sec-
4 tion, including limitations on the amount of a loan and restric-
5 tions on the use of the property involved.

6 SELF-HELP PROGRAMS FOR COMMUNITY IMPROVEMENT

7 SEC. 309. Section 101 (d) of the Housing Act of 1949
8 is amended by inserting immediately after "local urban re-
9 newal programs" the following: "(including rehabilitation
10 projects requiring no additional assistance under this title or
11 self-liquidating redevelopment projects)".

12 URBAN RENEWAL DEMONSTRATION PROGRAM

13 SEC. 310. Section 314 of the Housing Act of 1954 is
14 amended—

15 (1) by inserting "(a)" after "314." at the begin-
16 ning of the section;

17 (2) by inserting before the period at the end of the
18 second sentence the following: ", but such a grant may
19 in addition cover the full cost of writing and publishing
20 the reports on such activities and undertakings";

21 (3) by inserting "activities and" before "under-
22 takings" in the third sentence;

23 (4) by striking out the fourth and fifth sentences;

24 and

1 (5) by adding at the end thereof the following new
2 subsections:

3 “(b) The Administrator is further authorized to pay for
4 the cost of (1) writing and publishing reports on activities
5 and undertakings financed by grants made under this sec-
6 tion, as well as reports on similar activities and undertakings,
7 not so financed, which are of significant value in furthering
8 the purposes of this section, and (2) writing and publishing
9 summaries and other informational material on such reports.

10 “(c) The aggregate amount of grants made under sub-
11 section (a), and other costs incurred pursuant to subsection
12 (b), shall not exceed \$10,000,000 and shall be payable from
13 the grant funds provided under and authorized by section 103
14 (b) of the Housing Act of 1949. The Administrator may
15 make advance or progress payments on account of any con-
16 tract entered into pursuant to this section, notwithstanding
17 the provisions of section 3648 of the Revised Statutes, as
18 amended.”

19 URBAN AND REGIONAL PLANNING GRANTS

20 SEC. 311. (a) Section 701 (a) of the Housing Act of
21 1954 is amended by striking out “resulting from rapid
22 urbanization” in clause (B) of paragraph (1).

23 (b) Section 701 (a) of such Act is amended—

24 (1) by striking out the period at the end of para-
25 graph (5) and inserting in lieu thereof a semicolon; and

(2) by adding after paragraph (5) the following new paragraph:

“(6) metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1); and”.

PLANNING GRANT AUTHORIZATION

SEC. 312. Section 701 (b) of the Housing Act of 1954 is amended by striking out “\$75,000,000” in the last sentence and inserting in lieu thereof “\$105,000,000”.

PLANNING GRANTS FOR INDIAN RESERVATIONS

SEC. 313. (a) Section 701 (a) of the Housing Act of 1954 is amended—

(1) by striking out “and” at the end of clause (B) of paragraph (1);

(2) by inserting “, and (D) Indian reservations” before the semicolon at the end of paragraph (1); and

(3) by adding after paragraph (6) (as added by section 311 (b) of this Act) the following new paragraph:

“(7) tribal planning councils or other tribal bodies

1 designated by the Secretary of the Interior for planning
 2 for an Indian reservation to which no State planning
 3 agency or other agency or instrumentality is empowered
 4 to provide planning assistance under clause (D) of
 5 paragraph (1)."

6 (b) Section 701 (d) of such Act is amended—

7 (1) by striking out "and urban regions" in the first
 8 sentence and inserting in lieu thereof "urban regions,
 9 and Indian reservations"; and

10 (2) by inserting the following after "instrumentali-
 11 ties" in the second sentence: ", and Indian tribal
 12 bodies,".

13 ELIGIBILITY OF COUNTIES FOR PLANNING ASSISTANCE

14 SEC. 314. Section 701 (a) of the Housing Act of 1954
 15 is amended by striking out clause (A) of paragraph (1)
 16 and inserting in lieu thereof the following: "(A) cities and
 17 other municipalities having a population of less than
 18 50,000 according to the latest decennial census, and
 19 counties without regard to population: *Provided*, That grants
 20 shall be made under this paragraph for planning assistance
 21 to counties having a population of 50,000 or more,
 22 according to the latest decennial census, which are within
 23 metropolitan areas, only if (i) the Administrator finds that
 24 planning and plans for such county will be coordinated
 25 with the program of comprehensive planning, if any, which

1 is being carried out for the metropolitan area of which the
2 county is a part, and (ii) the aggregate amount of the
3 grants made subject to this proviso does not exceed
4 15 per centum of the aggregate amount appropriated, after
5 the date of enactment of the Housing Act of 1964, for the
6 purposes of this section.”.

7 PLANNING PROBLEMS RESULTING FROM TREATIES OR OTHER
8 INTERNATIONAL AGREEMENTS

9 SEC. 315. Section 701 (a) (4) of the Housing Act of
10 1954 is amended to read as follows:

11 “(4) official governmental planning agencies for
12 areas where (A) urban planning problems have resulted
13 or are expected to result from the implementation of a
14 Federal treaty or other international agreement or
15 understanding, or (B) rapid urbanization has resulted
16 or is expected to result from the establishment or rapid
17 and substantial expansion of a Federal installation;”.

18 SMALL BUSINESS ADMINISTRATION LOANS

19 SEC. 316. Section 7 (b) (3) of the Small Business Act
20 is amended by inserting before the period at the end thereof
21 the following: “; and the purposes of a loan made pursuant
22 to this paragraph may, in the discretion of the Administra-
23 tion, include the purchase or construction of other premises
24 whether or not the borrower owned the premises from which
25 it was displaced”.

1 RELOCATION PAYMENTS IN CASES OF PROPERTY AFFECTED
2 BY COAL MINE SUBSIDENCE OR UNDERGROUND MINE
3 FIRES

4 SEC. 317. (a) Section 114 of the Housing Act of 1949
5 (as added by section 306 of this Act) is amended by re-
6 designating subsection (d) as subsection (e), and by in-
7 serting after subsection (c) the following new subsection:

8 “(d) In any case in which property owned by an
9 individual, family, business concern, or nonprofit organiza-
10 tion has been rendered partially or wholly unusable on
11 account of the subsidence or collapse of underlying coal
12 mines, or because of an underground mine fire or fires, relo-
13 cation payments under this section may include (in addition
14 to any amounts payable under subsection (b) or (c)) an
15 amount equal to the difference between (1) the actual
16 market value which such property would have if the dimi-
17 nution in its value occasioned by such subsidence or collapse
18 or fire were ignored, and (2) the price paid for the acqui-
19 sition of such property by the local public agency.”

20 (b) The first sentence of section 114 (a) of such Act
21 (as so added) is amended by striking out “organizations”
22 and all that follows and inserting in lieu thereof the follow-
23 ing: “organizations. Any contract for financial assistance
24 under this title shall provide that no part of the amount of
25 such payments (except such payments made pursuant to

1 subsection (d)) shall be required to be contributed as a
2 local grant-in-aid, and that the capital grant otherwise pay-
3 able for the project shall be increased by an amount equal to
4 (1) any of such payments made pursuant to subsection (b)
5 or (c), plus (2) any of such payments made pursuant to
6 subsection (d), reduced by the amount of the local grants-in-
7 aid applicable to such payments.”

8 (c) Any contract with a local public agency which
9 was executed under title I of the Housing Act of 1949 be-
10 fore the date of the enactment of this Act may be amended to
11 provide for payments authorized by the amendments made
12 by this section so long as the project involved has not yet
13 been completed on such date.

14 (d) Section 15 (8) of the United States Housing Act
15 of 1937 (as added by section 406 of this Act) is amended
16 by striking out “section 114 (b) or (c)” and inserting in
17 lieu thereof “section 114 (b), (c), or (d)”.

18 TITLE IV—HOUSING FOR LOW-INCOME

19 FAMILIES

20 ELIGIBILITY OF DISPLACED INDIVIDUALS FOR LOW-RENT

21 PUBLIC HOUSING

22 SEC. 401. (a) Section 2 (2) of the United States Hous-
23 ing Act of 1937 is amended to read as follows:

24 “(2) The term ‘families of low income’ means families
25 (including elderly and displaced families) who are in the

1 lowest income group and who cannot afford to pay enough
2 to cause private enterprise in their locality or metropolitan
3 area to build an adequate supply of decent, safe, and sanitary
4 dwellings for their use. The term 'families' includes families
5 consisting of a single person in the case of elderly families
6 and displaced families, and includes the remaining member
7 of a tenant family. The term 'elderly families' means fami-
8 lies whose heads (or their spouses), or whose sole members,
9 have attained the age at which an individual may elect to
10 receive an old-age insurance benefit under title II of the So-
11 cial Securitiy Act or are under a disability as defined
12 in section 223 of that Act. The term 'displaced families'
13 means families displaced by urban renewal or other govern-
14 mental action."

15 (b) Section 10 (g) (2) of such Act is amended by
16 striking out "those displaced by urban renewal or other gov-
17 ernmental action" and inserting in lieu thereof "displaced
18 families".

19 (c) Section 15 (7) (b) of such Act is amended by
20 striking out "family displaced by urban renewal or other
21 governmental action" in clause (ii) and inserting in lieu
22 thereof "displaced family".

1 ADDITIONAL SUBSIDY FOR URBAN RENEWAL AND LOW-
2 RENT HOUSING DISPLACEES

3 SEC. 402. Section 10 (a) of the United States Housing
4 Act of 1937 is amended by inserting before the period at the
5 end of the third sentence the following: “: *Provided further*
6 That such an additional payment may also be made, on the
7 same terms and conditions and subject to the same limitations,
8 with respect to a unit occupied on the last day of the project
9 fiscal year by a displaced family if such family was displaced
10 by an urban renewal or low-rent housing project on or after
11 January 27, 1964, and if and to the extent that the rental of
12 such unit was less than the rental which, in the determina-
13 tion of the Authority based on average or estimated average
14 project rentals, would have been established in leasing the
15 unit to another family which was neither an elderly family
16 nor similarly displaced”.

17 INCREASE IN AUTHORIZATION FOR ANNUAL
18 CONTRIBUTIONS

19 SEC. 403. Section 10 (e) of the United States Housing
20 Act of 1937 is amended by inserting immediately after "per
21 annum," the following: "which limit shall be increased by

1 \$27,000,000 on the date of the enactment of the Housing
2 Act of 1964,".

3 PAYMENTS IN LIEU OF TAXES BY LOCAL HOUSING
4 AUTHORITIES; LOCAL CONTRIBUTIONS

5 SEC. 404. Section 10 (h) of the United States Hous-
6 ing Act of 1937 is amended by striking out all that follows
7 the first colon and inserting in lieu thereof the following:
8 "*Provided*, That, with respect to any such project which is
9 not exempt from all real and personal property taxes levied
10 or imposed by the State, city, county, or other political sub-
11 divisions, such contract shall provide, in lieu of the require-
12 ment for tax exemption and payments in lieu of taxes, that
13 no annual contributions by the Authority shall be made avail-
14 able for such project unless and until the State, city, county,
15 or other political subdivisions in which such project is situ-
16 ated shall contribute, in the form of cash or tax remission, the
17 amount by which the taxes paid with respect to the project
18 exceed 10 per centum of the annual shelter rents charged in
19 such project: *Provided further*, That, prior to execution
20 of the contract for annual contributions the public housing
21 agency shall, in the case of a tax-exempt project, notify the
22 governing body of the locality of its estimate of the annual
23 amount of such payments in lieu of taxes and of the amount
24 of taxes which would be levied if the property were privately

1 owned, or, in the case where the project is taxed, its esti-
2 mate of the annual amount of the local cash contribution, and
3 shall thereafter include the actual amounts of such payments
4 or contributions in its annual report. Contracts for annual
5 contributions entered into prior to the effective date of the
6 Housing Act of 1964 may be amended in accordance with the
7 first sentence of this subsection.”

8 RELOCATION OF FAMILIES AND INDIVIDUALS DISPLACED
9 FROM PROJECT SITES

10 SEC. 405. (a) Section 15 (7) (b) of the United States
11 Housing Act of 1937 is amended by striking out “and”
12 before “(ii)”, and by inserting before the period at the
13 end thereof the following: “; and (iii) unless the public
14 housing agency has demonstrated to the satisfaction of the
15 Authority that there is a feasible method for the temporary
16 relocation of the displaced families from the project site, and
17 that there are or are being provided, in the project area or
18 in other areas not generally less desirable in regard to public
19 utilities and public and commercial facilities and at rents or
20 prices within the financial means of such displaced families,
21 decent, safe, and sanitary dwellings equal in number to the
22 number of and available to such displaced families and rea-
23 sonably accessible to their places of employment”.

24 (b) The amendments made by subsection (a) shall not

1 be applicable to any project for which an application for pre-
2 liminary loan has been approved by the local governing
3 body prior to the date of the enactment of this Act.

4 RELOCATION PAYMENTS

5 SEC. 406. Section 15 of the United States Housing Act
6 of 1937 is amended by adding at the end thereof the fol-
7 lowing new paragraph:

8 “(8) The Authority may authorize the cost of reloca-
9 tion payments made by public housing agencies to be in-
10 cluded with the development or acquisition cost of any
11 project for purposes of determining the amount of loans
12 and annual contributions authorized to be made with respect
13 to such project under sections 9 and 10, but such costs
14 shall be separately stated as relocation costs and shall be
15 excluded from any amounts on which the computation of
16 annual contributions is based for purposes of determin-
17 ing the amount of local contributions required with
18 respect to such project under section 10 (h). For purposes
19 of this paragraph, a ‘relocation payment’ is a payment (i)
20 which is made to an individual, family, business concern, or
21 nonprofit organization displaced on or after January 27,
22 1964, from a low-rent housing project site as a result of
23 the acquisition of real property by a public housing agency,
24 (ii) which is not otherwise authorized under any Federal
25 law, and (iii) which is made only on such terms and con-

1 ditions, and subject to such limitations, as are authorized
2 (as of the time such payment is approved) under section
3 114 (b) or (c) of the Housing Act of 1949 for relocation
4 payments made to individuals, families, business concerns, or
5 nonprofit organizations, as the case may be.”

6 LOW-INCOME HOUSING DEMONSTRATION PROGRAM

7 AUTHORIZATION

8 SEC. 407. Section 207 of the Housing Act of 1961 is
9 amended by striking out “\$5,000,000” and inserting in lieu
10 thereof “\$10,000,000”.

11 TITLE V—RURAL HOUSING

12 EXTENSION OF SENIOR CITIZENS RENTAL HOUSING

13 INSURANCE PROGRAM

14 SEC. 501. Section 515 (b) (5) of the Housing Act of
15 1949 is amended by striking out “September 30, 1964” and
16 inserting in lieu thereof “September 30, 1965”.

17 RURAL HOUSING DIRECT LOAN PROGRAM

18 SEC. 502. (a) Section 511 of the Housing Act of 1949
19 is amended by striking out “\$700,000,000” and inserting in
20 lieu thereof “\$850,000,000”.

21 (b) Section 502 (a) of such Act is amended by insert-
22 ing after “a loan may be made by the Secretary to said
23 applicant” the following: “, in a principal amount not
24 exceeding \$15,000,”.

1 DEFINITION OF DOMESTIC FARM LABOR

2 SEC. 503. Section 514 (f) (3) of the Housing Act of
3 1949 is amended to read as follows:

4 “(3) the term ‘domestic farm labor’ means persons
5 who receive a substantial portion (as determined by the
6 Secretary) of their income as laborers on farms situated
7 in the United States and either (A) are citizens of the
8 United States or (B) reside in the United States after
9 being legally admitted for permanent residence therein.”

10 TITLE VI—FEDERAL-STATE TRAINING

11 PROGRAMS

12 FINDINGS AND PURPOSE

13 SEC. 601. (a) The Congress finds that the rapid expan-
14 sion of the Nation’s urban areas and urban population has
15 caused severe problems in urban and suburban development
16 and created a national need to (1) provide special training
17 in skills needed for economic and efficient community devel-
18 opment and (2) support research in new or improved meth-
19 ods of dealing with community development problems.

20 (b) It is the purpose of this title to assist and encourage
21 the States, in cooperation with public or private universities
22 and colleges and urban centers, to (1) organize, initiate,
23 develop, and expand programs which will provide special
24 training in skills needed for economic and efficient commu-

1 nity development to those technical and professional people
2 who are, or are likely to be, employed by a governmental or
3 public body which has responsibilities for community devel-
4 opment; and (2) support State and local research that is
5 needed in connection with housing programs and needs,
6 public improvement programing, code problems, efficient
7 land use, urban transportation, and similar community
8 development problems.

9 MATCHING GRANTS TO STATES

10 SEC. 602. (a) Subject to the provisions of this title and
11 in accordance with regulations prescribed by him, the Ad-
12 ministrator may make matching grants to States to assist
13 in—

14 (1) organizing, initiating, developing, or expand-
15 ing programs to provide special training in skills needed
16 for economic and efficient community development to
17 those technical and professional people who are, or are
18 likely to be, employed by a governmental or public
19 body which has responsibilities for community develop-
20 ment; and

21 (2) supporting State and local research that is
22 needed in connection with housing programs and needs,
23 public improvement programing, code problems, effi-
24 cient land use, urban transportation, and similar com-

1 munity development problems, and collecting, collat-
2 ing, and publishing statistics and information relating
3 to such research.

4 (b) No grants may be made to a State under this title
5 unless the Administrator has approved a plan for the State
6 which—

7 (1) sets forth the proposed use of the funds and
8 the objectives to be accomplished;

9 (2) explains the method by which the required
10 amounts from non-Federal sources will be obtained;

11 (3) provides such fiscal control and fund account-
12 ing procedures as may be reasonably necessary to assure
13 proper disbursement of, and accounting for, Federal
14 funds paid to the State under this title;

15 (4) designates an officer or agency of the State
16 government who has responsibility and authority for
17 the administration of a statewide research and training
18 program as the officer or agency with responsibility and
19 authority for the execution of the State program under
20 this title; and

21 (5) provides that such officer or agency will make
22 such reports to the Administrator, in such form, and
23 containing such information, as may be reasonably neces-
24 sary to enable the Administrator to perform his duties
25 under this title.

1 (c) No grant may be made under this title for any use
2 unless an amount at least equal to such grant is made avail-
3 able from non-Federal sources for the same purpose and
4 for concurrent use.

5 (d) There is authorized to be appropriated for grants
6 under this title, without fiscal year limitation, not to exceed
7 \$10,000,000.

8 STATE LIMIT

9 SEC. 603. Not more than 10 per centum of the total
10 amount authorized to be appropriated by section 602 (d)
11 may be used for making grants to any one State.

12 TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF 13 INFORMATION

14 SEC. 604. In order to carry out the purpose of this title,
15 the Administrator is authorized to provide technical assist-
16 ance to State and local governmental or public bodies and to
17 undertake such studies and publish and distribute such infor-
18 mation, either directly or by contract, as he shall determine
19 to be desirable. Nothing contained in this title shall limit
20 any authority of the Administrator under any other provision
21 of law.

22 MISCELLANEOUS

23 SEC. 605. (a) As used in this title, the term "State"
24 means any State of the United States, the District of Colum-
25 bia, the Commonwealth of Puerto Rico, and the Virgin

1 Islands; and the term "Administrator" means the Housing
2 and Home Finance Administrator.

3 (b) There are authorized to be appropriated such sums
4 as may be necessary for administrative and other expenses
5 in carrying out this title.

6 TITLE VII—COMMUNITY FACILITIES

7 PUBLIC FACILITY LOANS

8 SEC. 701. (a) Section 202 (a) of the Housing Amend-
9 ments of 1955 is amended by striking out "instrumentalities
10 of States" in clause (1) of the first sentence and inserting
11 in lieu thereof "instrumentalities of one or more States", and
12 by striking out "in the same State" in such clause and insert-
13 ing in lieu thereof "of one or more States".

14 (b) Section 202 (b) (4) of such Amendments is
15 amended by inserting "(A)" before "to any municipality"
16 in the first sentence, and by striking out everything in such
17 sentence after "most recent decennial census, or" and
18 inserting in lieu thereof the following: "(B) to any public
19 agency or instrumentality serving one or more municipalities,
20 political subdivisions, or unincorporated areas in one or more
21 States, unless each municipality, political subdivision, and un-
22 incorporated area to be served by the specific public work or
23 facility for which assistance is sought under this section has
24 a population less than the applicable figure under clause (A)
25 according to such census."

ADVANCES FOR PUBLIC WORKS PLANNING

SEC. 702. (a) Section 702 (e) of the Housing Act of 1954 is amended to read as follows:

“(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances (and claims in connection with advances) outstanding as of such date, under title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-2). There are authorized to be appropriated to such revolving fund, in addition to amounts authorized to be appropriated for the purposes of this section prior to the date of the enactment of the Housing Act of 1964, such sums, not to exceed \$20,000,000, as may be necessary to carry out the purposes of this section.”

(b) Section 702 of such Act is further amended by adding at the end thereof the following new subsection:

“(h) (1) Notwithstanding any other provision of law, if a public agency or Indian tribe undertakes to construct only a portion of a public work planned with an advance

1 under this section, under title V of the War Mobilization and
2 Reconversion Act of 1944, or under the Act of October
3 13, 1949, it shall repay only such proportionate amount of
4 the advance relating to the public work as the Administrator
5 determines to be equitable.

6 “(2) The Administrator is authorized to terminate,
7 upon such terms and conditions as he shall deem equitable,
8 all or a portion of the liability for repayment of any ad-
9 vance made under this section, title V of the War
10 Mobilization and Reconversion Act of 1944, or the Act of
11 October 13, 1949. Whenever the Administrator determines
12 that there is no reasonable likelihood that the public work,
13 or a portion of the public work, planned with such advance
14 will be constructed, he may terminate the agreement for the
15 advance. Such determination shall be conclusive and shall
16 be based on standards prescribed by regulations to be issued
17 by the Administrator.”

18 (c) Section 702 of such Act is further amended—

19 (1) by striking out “public agencies” wherever
20 that term appears in subsection (a) and inserting in
21 lieu thereof “public agencies and Indian tribes”;

22 (2) by striking out “public agency” in clause (3)
23 of subsection (b) and inserting in lieu thereof “public
24 agency or Indian tribe”;

25 (3) by striking out “to any public agency” and

1 “by the public agency” in subsection (c) and inserting
2 in lieu thereof “to any public agency or Indian tribe”
3 and “by the public agency or Indian tribe”, respec-
4 tively, and by striking out “by such agency” in such
5 subsection and inserting in lieu thereof “by such agency
6 or tribe”; and

7 (4) by striking out “That if” and all that follows
8 down through “*And provided further,*” in subsection
9 (c).

10 (d) Section 702 (f) of such Act is amended by striking
11 out “\$50,000” and inserting in lieu thereof “\$100,000”.

12 (e) Section 702 (a) of such Act is amended by insert-
13 ing immediately before the first colon the following: “, in-
14 cluding, in the case of public works to be constructed in
15 connection with the development of a medical center, a
16 general plan for the development of such center”.

17 (f) Section 702 (b) of such Act is amended by striking
18 out the last sentence.

19 TITLE VIII—SAVINGS AND LOAN ASSOCIATIONS

20 SEC. 801. (a) The first sentence of section 5 (c) of the
21 Home Owners’ Loan Act of 1933 is amended by striking
22 out “fifty miles” and inserting in lieu thereof “one hundred
23 miles”.

24 (b) The third sentence of section 403 (b) of the Na-
25 tional Housing Act is amended by striking out all that pre-

1 cedes the first semicolon and inserting in lieu thereof the
2 following: "Each applicant for such insurance shall also file
3 with its application an agreement that during the period
4 that the insurance is in force it will not make any loans be-
5 yond one hundred miles from its principal office, except (1)
6 loans in the area beyond such one-hundred-mile limit in
7 which it was operating prior to June 27, 1934, and (2)
8 loans which are made pursuant to regulations of the Cor-
9 poration: *Provided*, That such agreement shall further pro-
10 vide that any loan made beyond fifty miles from the appli-
11 cant's principal office (and outside the territory in which it
12 was operating on such date) shall also be subject to such
13 regulations".

14 SEC. 802. The first proviso in section 5 (c) of the Home
15 Owners' Loan Act of 1933 is amended—

16 (1) by striking out "\$35,000" and inserting in
17 lieu thereof "\$40,000"; and

18 (2) by striking out " , except that the aggregate
19 sums invested pursuant to the two exceptions in this
20 proviso shall not exceed 30 per centum of the assets of
21 such association".

22 SEC. 803. The next to last paragraph of section 5 (c)
23 of the Home Owners' Loan Act of 1933 is amended to read
24 as follows:

1 “Without regard to any other provision of this subsec-
2 tion, any such association is authorized to invest not more
3 than 5 per centum of its assets in, or in interests in, real
4 property located within urban renewal areas as defined in
5 subsection (a) of section 110 of the Housing Act of 1949
6 and obligations secured by first liens on real property so
7 located, but no investment shall be made by an association
8 under this sentence in real property or any interest therein
9 if the aggregate investment of the association under this sen-
10 tence in real property and interests therein, determined as
11 prescribed by the Board, would thereupon exceed 2 per
12 centum of the assets of the association.”

13 SEC. 804. Section 5 (c) of the Home Owners' Loan Act
14 of 1933 is amended by adding at the end thereof a new para-
15 graph as follows:

16 “For the purpose of this section the terms ‘real prop-
17 erty’ and ‘real estate’ shall include a leasehold or sublease-
18 hold estate in real property under a lease or sublease the
19 term of which does not expire, or which is renewable auto-
20 matically or at the option of the holder (or at the option of
21 the association) so as not to expire, for at least fifteen years
22 beyond the maturity of the debt, or for such shorter period
23 as the Board, by regulation, may prescribe.”

24 SEC. 805. Section 5 (c) of the Home Owners' Loan

1 Act of 1933 is further amended by adding at the end
2 thereof (after the paragraph added by section 804 of this
3 Act) the following new paragraph:

4 "Subject to rules and regulations of the Board, any such
5 association is authorized to invest in the capital stock, obli-
6 gations, or other securities of any corporation organized
7 under the laws of the State, District, Commonwealth, ter-
8 ritory, or possession in which the home office of the associa-
9 tion is located, if the entire capital stock of such corporation
10 is available for purchase only by savings and loan associa-
11 tions of that State, District, Commonwealth, territory, or
12 possession and by Federal savings and loan associations
13 having their home offices therein, but no association may
14 make any investment under this sentence if its aggregate
15 outstanding investment under this sentence, determined as
16 prescribed by the Board, would thereupon exceed 2 per
17 centum of its assets."

18 SEC. 806. Section 10 (b) of the Federal Home Loan
19 Bank Act is amended—

20 (1) by striking out "twenty-five" in clause (1)
21 and inserting in lieu thereof "thirty"; and

22 (2) by striking out "\$35,000" in clause (2) and
23 inserting in lieu thereof "\$40,000".

24 SEC. 807. The second proviso in the first paragraph of
25 section 5 (c) of the Home Owners' Loan Act of 1933 is

1 amended by striking out “or in the obligations of the Fed-
2 eral National Mortgage Association” and inserting in lieu
3 thereof the following: “; or in obligations of the Federal
4 National Mortgage Association or of any other agency of
5 the United States; or in obligations of or guaranteed by, or
6 special obligations (which may be defined by the Board)
7 issued by, any one or more of the following: any State, any
8 county, municipality, or political subdivision of any State,
9 or any district, public instrumentality, or public authority of
10 any one or more of the foregoing; and as used in this proviso
11 the term ‘State’ shall include the District of Columbia, the
12 Commonwealth of Puerto Rico, and the possessions of the
13 United States”.

14 SEC. 808. The first sentence of the second paragraph of
15 section 5 (c) of the Home Owners’ Loan Act of 1933 is
16 amended to read as follows: “Without regard to any other
17 provision of this subsection except the area requirement,
18 any such association is authorized to invest a sum not in
19 excess of 20 per centum of the assets of such association in
20 loans insured under title I of the National Housing Act, in
21 home improvement loans insured under title II of the Na-
22 tional Housing Act, in unsecured loans insured or guaranteed
23 under the provisions of the Servicemen’s Readjustment Act
24 of 1944, as amended, or chapter 37 of title 38 of the United
25 States Code, and in other loans for property alteration, re-

1 pair, or improvement: *Provided*, That no such loan, unless
 2 so insured or guaranteed, shall be made in excess of \$5,000.”

3 SEC. 809. Title IV of the National Housing Act is
 4 amended by adding at the end thereof the following new
 5 section:

6 “INVESTMENT OF CERTAIN FUNDS IN ACCOUNTS OF
 7 INSURED INSTITUTIONS

8 “SEC. 409. The savings accounts and share accounts
 9 held by institutions insured by the Corporation, to the extent
 10 they are insured by the Corporation, shall be lawful invest-
 11 ments and may be accepted as security for all public funds
 12 of the United States, fiduciary and trust funds under the
 13 authority or control of the United States or any officer or
 14 officers thereof, and for the funds of all corporations orga-
 15 nized under the laws of the United States, regardless of any
 16 limitation of law upon the investment of any such funds
 17 or upon the acceptance of security for the investment or
 18 deposit of any of such funds.”

19 TITLE IX—MISCELLANEOUS

20 FNMA—REMOVAL OF \$20,000 MORTGAGE AMOUNT

21 LIMITATION

22 SEC. 901. Section 302 (b) of the National Housing
 23 Act is amended—

(1) by striking out “any mortgage” in clause (3) and inserting in lieu thereof “any mortgage under section 305”; and

(2) by striking out the proviso in clause (3).

FNMA—NINETY PER CENTUM LOANS

SEC. 902. Section 304 (a) (2) of the National Housing Act is amended by striking out “80 per centum” and inserting in lieu thereof “90 per centum”.

OPEN-SPACE PROGRAM—GRANT AUTHORIZATION

SEC. 903. Section 702 (b) of the Housing Act of 1961 is amended—

(1) by striking out “\$50,000,000” and inserting in lieu thereof “\$75,000,000”; and

(2) by adding at the end thereof the following: “All funds so appropriated shall remain available until expended.”

COLLEGE HOUSING LOANS

SEC. 904. The second paragraph of section 404 (b) of the Housing Act of 1950 is amended by adding at the end thereof the following new sentence: “Where State law would prevent the institution (or all of the institutions) for whose students or students and faculty the housing is to be provided from cosigning the note, the Administrator shall instead re-

1 quire the approval of the corporation and the proposed
2 project by such institution (or by any one or more of such
3 institutions).”

4 ACQUISITION OF CERTAIN HOUSING BY SECRETARY OF
5 DEFENSE

6 SEC. 905. The first sentence of section 404 (a) of the
7 Housing Amendments of 1955 is amended by inserting be-
8 fore the period at the end thereof the following: “, or (3)
9 any housing situated on or adjacent to a military installation
10 which was (A) completed prior to July 1, 1952, (B)
11 considered by the Department of Defense, prior to con-
12 struction, as being necessary to meet an existing military
13 family housing need and considered as military housing by
14 the Federal Housing Commissioner, and (C) financed with
15 mortgages insured under section 608 of the National Housing
16 Act, including adjacent property constructed primarily to
17 provide commercial facilities for the occupants of such
18 housing”.

19 FOREST HILLS PROJECT IN PADUCAH, KENTUCKY

20 SEC. 906. The Federal Housing Commissioner is
21 authorized and directed to sell to the Paducah-McCracken
22 County Development Council, Incorporated, of Paducah,
23 Kentucky, for use as a public facility (including such use by
24 the Paducah Junior College as may be deemed appropriate
25 by such Council), and for a total price of \$1,000,000, all

1 right, title, and interest of the United States in and to the
2 housing project in Paducah known as Forest Hills (a project
3 constructed under title VIII of the National Housing Act
4 as in effect prior to August 11, 1955, and subsequently
5 acquired by the Federal Housing Administration).

6 PAYMENT IN LIEU OF TAXES BY HAWAII HOUSING

7 AUTHORITY

8 SEC. 907. Notwithstanding the provisions of any other
9 law or any contract or rule of law, the Public Housing
10 Commissioner shall approve a payment in lieu of taxes to
11 be made for the fiscal year ended June 30, 1959, in the
12 amount of \$24,167.78, by the Hawaii Housing Authority to
13 the city and county of Honolulu.

14 TRANSFER OF LAND FOR URBAN RENEWAL PURPOSES BY

15 PHILADELPHIA HOUSING AUTHORITY

16 SEC. 908. (a) Notwithstanding the provisions of title
17 I of the Housing Act of 1949 and the United States Hous-
18 ing Act of 1937, the Housing and Home Finance Admin-
19 istrator and the Public Housing Commissioner are author-
20 ized and directed to consent to the transfer by the Phila-
21 delphia Housing Authority to the Philadelphia Redevelop-
22 ment Authority of all property acquired by the Housing
23 Authority for low-rent housing project numbered Pennsyl-
24 vania 2-51, on condition that (1) an amount which,
25 together with any funds of the Housing Authority available

1 for the purpose, is sufficient to pay and discharge all obliga-
2 tions incurred by the Housing Authority in connection with
3 such low-rent housing project and owing at the time of
4 transfer, will be paid by the Redevelopment Authority to
5 the Public Housing Administration to be applied in satisfac-
6 tion of the Housing Authority's obligations which it cannot
7 meet with its own funds available for the purpose, and (2)
8 the total amount so paid by the Redevelopment Authority
9 will be included in the gross project cost of its Whitman
10 urban renewal project, Pennsylvania R-35.

11 (b) The Housing and Home Finance Administrator
12 and the Public Housing Commissioner are authorized to
13 modify any contracts heretofore entered into and to take any
14 other appropriate action necessary to carry out the pro-
15 visions of subsection (a).

16 ELIGIBILITY OF CERTAIN LOCAL GRANTS-IN-AID

17 SEC. 909. Notwithstanding the date of the commence-
18 ment of construction of the Fox Point hurricane dam in
19 Providence, Rhode Island, local expenditures made in con-
20 nection with such dam shall, to the extent otherwise eligible,
21 be counted as a local grant-in-aid to the railroad relocation
22 urban renewal project (Rhode Island R-8) in accordance
23 with the provisions of title I of the Housing Act of 1949.

88TH CONGRESS
2D Session

H. R. 12175

A BILL

To extend and amend laws relating to housing,
urban renewal, and community facilities,
and for other purposes.

By Mr. RAINS

JULY 30, 1964

Referred to the Committee on Banking and Currency

Senate

- 3 -

July 31, 1964

(147)

Passed as reported S. 1531, to increase the appropriations authorization for the completion of the construction of the irrigation and power systems of the Flathead Indian irrigation project, Mont. p. 16948

The Interior and Insular Affairs Committee voted to report (but did not actually report) S. 1658, authorizing construction of the Central Arizona project, Ariz. and N. Mex. p. D617

19. PUBLIC WORKS APPROPRIATION BILL, 1965. A subcommittee of the Appropriations Committee approved for full committee consideration this bill, H. R. 11579. p. D617
20. LANDS. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 5498, authorizing sale of public lands not needed for Federal program requirements; and H. R. 8070, to establish a Public Land Law Review Commission to study existing laws and procedures relating to administration of the public lands. p. D617
21. WOOL. Passed as reported S. 1778, permitting wool products to be sold without a label whenever disclosure of wool fiber content is not necessary for the protection of the consumer. p. 16974
22. TECHNOLOGY. Passed as reported H. R. 11611, to establish a National Commission on Technology, Automation, and Economic Progress. pp. 16985-91
23. ROADS. Concurred in the House amendments to the Senate amendments on H. R. 10503, the road authorization bill. This bill will now be sent to the President. pp. 17006-7
24. HOUSING; LOANS. Passed with amendments S. 3049, the housing bill (pp. 16984-5, 16992-020). This bill includes provisions to extend certain rural housing programs (under Secs. 511, 512, 513, and 515 of the Housing Act of 1949) until October 1, 1965; authorize \$150,000,000 additional for direct housing loans administered by the Farmers Home Administration; increase from \$100,000 to \$300,000 the maximum amount of a loan which may be insured under Sec. 515 (b) for rental housing and related facilities for the elderly in rural areas; make immigrant farm laborers permanently residing in the U. S. after legal entry for permanent residence, as well as citizen farm laborers, eligible to occupy housing financed with loans under Sec. 514(f) of the Housing Act of 1949; and authorize grants for low-rent housing for domestic farm labor. Rejected, 19-64, an amendment by Sen. Tower to substitute a more limited version for the bill as reported (pp. 16999-007).

SENATE - August 1

25. FOREIGN AID. Continued debate on H. R. 11380, the foreign-aid authorization bill. pp. 17103, 17132-35
26. EDUCATION. Passed without amendment S. 3060, to amend the National Defense Education Act, including a 3-year extension of that Act, and a 2-year extension of impacted-areas education legislation. pp. 17103-19
27. METEOROLOGICAL SERVICES. Passed without amendment S. 970, to authorize the Secretary of Commerce to utilize funds received from State and local governments for special meteorological services. p. 17132

28. RESEARCH. Sen. Carlson stated that "the enormously productive agriculture of the United States today rests directly upon the research and educational effectiveness of the land-grant colleges and universities and the Department of Agriculture," and inserted an editorial on the subject. pp. 17087-8
29. ECONOMY. Sen. Humphrey inserted two articles discussing the President's optimism over economy. pp. 17090-1
30. COFFEE. Sen. Douglas called attention to the fact that coffee prices increased approximately one-half cent per pound in the day following the passage of the "coffee bill," stated that "this is only the beginning," and urged a close watch on what happens to coffee prices. p. 17136
31. RECLAMATION. Passed without amendment H. R. 1892, to repeal the Pittman Act of 1919 which had provided for grants of public lands in Nev. in order to encourage reclamation of desert lands. This bill will now be sent to the President. p. 17130
32. AJOURNED until Mon., Aug. 3. p. 17136

ITEMS IN APPENDIX

33. WILDERNESS. Extension of remarks of Rep. Fraser expressing his "unequivocal support" for the wilderness bill. pp. A4035-6
34. COTTON. Rep. Teague inserted an address by B. C. Jackson, general chairman of the 25th annual American Cotton Congress, "Cotton's Past, Present, and Future." pp. A4039-40

BILLS INTRODUCED

35. RECREATION. S. 3054, by Sen. McGee, to establish the Flaming Gorge National Recreation Area in the States of Utah and Wyoming; to Interior and Insular Affairs Committee
36. FOREIGN TRADE. S. Con. Res. 91, by Sen. Douglas, to express the sense of the Congress that the United States should, on agricultural commodities as well as other commodities, bargain and negotiate in good faith as it is pledged to do under the Reciprocal Trade Act; to Finance Committee. Remarks of author, pp. 16900-1

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COMMITTEE HEARINGS AUG. 3:

Agricultura appropriations, S. Appropriations (exec. - to mark up).
Proxmire dairy bill, H. Agriculture.
Pay bill, conferees (exec).

oOo

a practical matter the United States has a veto over the fixing of annual quotas and in any event the legislation will expire next year unless Congress renews it.

The Senate approved this agreement 14 months ago. Virtually all the other 58 signatory nations of Latin America, Africa, the Far East, and Europe are now full members. This bill goes to the heart of our good-faith effort to build the Alliance for Progress and help the less-developed countries around the world.

The International Coffee Council is now meeting in London. Our friends are anxiously waiting for us to act.

I regard the passage of this bill as essential. We cannot expect the continued co-operation of our close neighbors on matters vital to us if we fail to respond to their urgent needs.

Sincerely,

DEAN RUSK.

Mr. DIRKSEN. Mr. President, among other things, the Secretary of State says:

The Alliance's chances for success will be far better if coffee prices can be stabilized. For in Latin America coffee is king.

In the United States it is more than that. It is not only king; it is an institution, because we use one-half of all the coffee produced by the 72 coffee-producing countries everywhere in the world. So it can well be said, as we consider the American coffee break, that coffee has become an institution in our national life. The Secretary continues:

It accounts for more than 50 percent of the exports of 6 Latin American nations, and more than 25 percent for the hemisphere's 14 coffee-exporting countries. Yet coffee prices have fluctuated widely. In 1937, Brazilian coffee sold for 7 cents a pound. In 1954 it rose above 90 cents. Last year—during a period of oversupply—it dropped to 32 cents. The present price is around 47 cents—approximately the average over the last 10 years.

Mr. President, the Secretary's letter is an appeal for some degree of stability in the coffee market. Since we are so closely bound together in this hemisphere through our international relationships, we cannot entirely know what is good for a country which at once sells to us and also buys American products. The last paragraph of the Secretary's letter reads:

I regard the passage of this bill as essential. We cannot expect the continued co-operation of our close neighbors on matters vital to us if we fail to respond to their urgent needs.

Mr. President, that is the situation in a nutshell. We shall be well advised to support the proposed legislation—that is now before the Senate.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JAVITS. Mr. President, the International Coffee Agreement will loom as a critically important element in the question of whether we will succeed or fail in Latin America. I say that because it is very clear from past experience that a sharp decline in the price of one commodity can wipe out in one afternoon our combined efforts to raise standards of living in Latin America through private and public investment. It is estimated, for example, that each decline of 1 cent per pound in the price of coffee means a loss of \$70 million in

the foreign exchange earnings of the 35 principal producing countries in Latin America and elsewhere. Such price declines have happened often in the past. The price of coffee has fallen about 42 percent within the last 5 or 6 years.

No amount of production can make up for that. The increasingly adverse terms of trade of primary producing countries are continually vitiating all the aid we can give them. Therefore, the effort to stabilize their terms of trade is a remarkably fine contribution, both to international economic development and to the demands of the newly developing areas for economic stability. Indeed, these countries demand nothing less of us, and they have a right to demand nothing less.

This agreement is so great a contribution to international stability and international peace and to the anti-Communist struggle, that we must wonder why it is opposed. I have read with the greatest of interest the views of my colleagues in the Senate. I am sympathetic with their views. The proposal is opposed on the ground that to give price guarantees and to governmentally limit production is an ineffective solution to this problem; in fact, commodity agreements seem to work in reverse to the real purpose for which they are designed. The best evidence, it is claimed, is our domestic farm program.

Imperfect as this machinery is, it is nonetheless an effort in the international field to do what urgently must be done to deter erosion for the present, so that the forces of recovery, development, and diversification of the economies of these countries may be given a chance to get started.

If we want to give developing countries an opportunity to get off the ground, in terms of development, we shall have to provide them with some kind of stop-loss situation—because the stabilization of the value of a basic commodity like coffee, in quite a few of those countries, is absolutely the determinant of whether the economy will be improving or will involve them in the gravest kind of difficulties.

We must provide primary producing countries such relief in promoting trade as not to beggar them or to deprive them of the necessary political stability, so far as economics has a determining effect on their political stability. At one and the same time we should not allow the situation to become so embedded as to preclude any hope of industrialization or diversification or the ability to make a better future in their own development. The problem of commodity stabilization, as I see it, becomes one of mitigating random and cyclical fluctuations in the price of coffee—or any other primary commodity—without interfering with whatever long-term trend would be established by free market forces. Increased stability in export proceeds of developing primary producing countries could make a valuable contribution to their ability to make long-range development plans.

I favor the agreement because it is essential now. It is limited in time, both in the implementing legislation and in the agreement itself. Furthermore, it

will give the countries involved an opportunity to make their transition, which we are financing now, in trying to help them make it, which would otherwise be eroded by the terms of trade and the fundamental commodities on which they live.

I do not wish it to be said that I am not interested in consumers. But it is one thing to be for consumers, and another thing to satisfy the needs of consumers by taking it out of the backs of producers, who are less well off, on the whole, than many of our consumers.

For these reasons, I support the position taken by the Senator from Illinois [Mr. DIRKSEN]. I am delighted that he has taken this position and feel that the consumer's point is answered by the fact that he does not wish to benefit the consumer at the expense of the exploited producers.

Mr. DIRKSEN. Mr. President, that is the story. The yeas and nays have been ordered, and I believe that the Senate is now ready to vote.

The PRESIDING OFFICER. (Mr. INOUYE in the chair). Under the unanimous-consent agreement, all time on the bill has now expired.

The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Maryland [Mr. BREWSTER], the Senator from Nevada [Mr. CANNON], the Senator from Oklahoma [Mr. EDMONDSON], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Louisiana [Mr. LONG], and the Senator from Utah [Mr. MOSS] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Massachusetts [Mr. KENNEDY] are absent because of illness.

I further announce that the Senator from Rhode Island [Mr. PASTORE] and the Senator from Texas [Mr. YARBOROUGH] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Maryland [Mr. BREWSTER], the Senator from Indiana [Mr. HARTKE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Utah [Mr. MOSS], and the Senator from Louisiana [Mr. LONG] would each vote "yea."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Iowa [Mr. MILLER].

If present and voting, the Senator from Iowa would vote Nay and the Senator from Massachusetts would vote Yea.

Mr. KUCHEL. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from New Mexico [Mr. MECHEM], and the Senator from Iowa [Mr. MILLER] are necessarily absent.

On this vote, the Senator from Iowa [Mr. MILLER] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Iowa would vote "nay" and the Senator from Massachusetts would vote "yea."

The result was announced—yeas 58, nays 27, as follows:

[No. 507 Leg.]

YEAS—58

| | | |
|--------------|--------------|----------------|
| Aiken | Hickenlooper | Monroney |
| Allott | Hill | Morse |
| Bartlett | Holland | Morton |
| Bayh | Humphrey | Muskie |
| Bible | Inouye | Nelson |
| Boggs | Jackson | Pell |
| Burdick | Javits | Prouty |
| Byrd, W. Va. | Johnston | Randolph |
| Case | Jordan, N.C. | Ribicoff |
| Church | Keating | Robertson |
| Clark | Kuchel | Saltonstall |
| Cooper | Lausche | Scott |
| Dirksen | Long, Mo. | Smathers |
| Dodd | Magnuson | Smith |
| Eastland | Mansfield | Sparkman |
| Ellender | McCarthy | Symington |
| Ervin | McClellan | Walters |
| Fong | McGee | Williams, N.J. |
| Fulbright | McGovern | |
| Gruening | Metcalf | |

NAYS—27

| | | |
|-----------|---------------|----------------|
| Beall | Hart | Russell |
| Bennett | Hruska | Simpson |
| Byrd, Va. | Jordan, Idaho | Stennis |
| Carlson | McIntyre | Talmadge |
| Cotton | McNamara | Thurmond |
| Curtis | Mundt | Tower |
| Dominick | Neuberger | Williams, Del. |
| Douglas | Pearson | Young, N. Dak. |
| Gore | Proxmire | Young, Ohio |

NOT VOTING—14

| | | |
|-----------|-----------|------------|
| Anderson | Hartke | Miller |
| Brewster | Hayden | Moss |
| Cannon | Kennedy | Pastore |
| Edmondson | Long, La. | Yarborough |
| Goldwater | Mecham | |

So the bill (H.R. 8864) was passed.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SMATHERS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOUSING ACT OF 1964

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1201, S. 3049.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 3049) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, after discussing the matter with the proponents and opponents of the bill, and with the leadership, I ask unanimous consent that there be a time limitation on the pending legislation, with 30 minutes allowed to each amendment, to be divided equally between the distinguished Senator from Alabama [Mr. SPARKMAN] and the distinguished Senator from Texas [Mr. TOWER]; that there be 1 hour allowed on the Tower substitute, to be divided equally between the two Senators I have mentioned; and that 2 hours be allowed on the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader what will be the business for the remainder of the day, and also for Saturday, if he can advise us.

Mr. MANSFIELD. Following the housing bill, which is now the pending business, it is the intention of the leadership to take up the District of Columbia appropriation bill and finish that tonight. Tomorrow it is anticipated that the Senate will proceed to consider the foreign aid bill, and very likely take up the National Defense Education Act, which was reported from the committee, and other measures which are expected to be reported this evening.

For the information of the Senate, it is anticipated that the Senate will meet early tomorrow morning.

Mr. DIRKSEN. If the majority leader has no objection and does not find it offensive, I would like to ask him whether he had a firm opinion as to whether or not the 2d session of the 88th Congress could conclude its labors some time before the 24th of August, when the great host of democracy tastes of the winds and the waves of Atlantic City.

Mr. MANSFIELD. The distinguished minority leader has touched me very deeply. There is nothing that I would rather do than have the Senate adjourn sine die before the 24th of August. I am sure that with the help of our colleagues on both sides of the aisle, we shall do the best we can to achieve that laudable goal. That is about it.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it adjourn to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEMORIAL SERVICES FOR THE LATE SENATOR ENGLE

Mr. MANSFIELD. Mr. President, buses will leave the steps of the Capitol at 12:30 tomorrow for those who wish to attend the memorial services at Fort Myer Arlington Cemetery for our late beloved colleague, Clair Engle. The buses will depart from the Capitol steps and, following the services, will return to the Capitol steps.

There will be no voting during the absence of Senators attending the services.

Mr. DIRKSEN. Mr. President, I would like to make one further inquiry. Is it possible for the majority leader to assure the membership that there will be no record vote on Saturday? I apprehend there will be many Senators who desire to attend. There are some who will be necessarily absent. I think they would like to carry that assurance with them, if they could do so.

That would include Monday, because the funeral cortege will be going to California.

Mr. MANSFIELD. Mr. President, much as I would like to give that assur-

ance, I feel that it would be the worst mistake that I could make. I do not want to see an exodus from this Chamber, much as I would like to join in an exodus from the Capital. I will talk with the Senator later this afternoon.

HOUSING ACT OF 1964

The Senate resumed the consideration of the bill (S. 3049) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

Mr. MORSE. Mr. President, will the Senator from Alabama yield 1 minute to me for a question on the pending bill?

Mr. SPARKMAN. I yield 1 minute to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 1 minute.

Mr. MORSE. Before the Senate proceeded to consider the housing bill, about 30 minutes ago I received a call expressing concern over the allegation of the caller that the bill would exclude a section dealing with urban renewal problems for the District of Columbia. The caller took the position that, as in the past, the question ought to be left to the District of Columbia Committees of the two bodies, and alleged that the House is opposed to having the District of Columbia included in the bill. I did not know whether it was included or not.

I did not know what the policy answer should be. Can the Senator advise me?

Mr. SPARKMAN. Mr. President, there is a very minor provision in the bill pertaining to urban renewal in the District of Columbia which was presented by the Senator from New Hampshire [Mr. MCINTYRE], who I believe is a member of the Committee on the District of Columbia. I shall be happy to yield 2 minutes to the Senator from New Hampshire to speak in that connection.

Mr. MCINTYRE. Responding to the question raised by the Senator from Oregon, Senators will recall that early in 1963 the Senate passed S. 628, a bill that would have granted powers to the District of Columbia to extend urban renewal processes into nonresidential areas. A counterpart of that bill is being considered in the House. It is a complicated measure, which involves many changes in existing law.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. Mr. President, I yield 2 additional minutes to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 2 minutes.

Mr. MCINTYRE. It was brought to my attention that a ruling of the Corporation Counsel of the District of Columbia held that urban renewal powers, insofar as nonresidential areas are concerned, and planning for nonresidential area, have been denied the District since sometime in 1954 due to an unfortunate interpretation of the 1954 Housing Act.

The provision which we have inserted in the housing bill would clarify the situation and would allow the District of Columbia to proceed under limited criteria

to extend and to plan urban renewal for nonresidential areas in the District.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MCINTYRE. I yield.

Mr. MORSE. Is it a question of providing authority for the District of Columbia officials to proceed with an urban renewal program, or is it a provision that would approve some specific urban renewal program already adopted?

Mr. MCINTYRE. The only way I can answer that question is by saying that the provision would give to Washington, D.C., the same powers enjoyed by Baltimore, Cleveland, and other cities. It does not go as far as Senate bill 628, which this body has already passed.

Mr. MORSE. I thank the Senator very much.

Mr. SPARKMAN. Mr. President, I yield 1 minute to the Senator from Virginia [Mr. ROBERTSON].

Mr. ROBERTSON. Mr. President, before our distinguished colleague, the Senator from Alabama, presents the bill, I welcome this opportunity to commend him for the fine service that he has rendered in preparing it. The housing bill which was proposed by the agencies provided for an expenditure of \$9 billion. The bill now before the Senate has been cut down to a \$2.5 billion bill.

The public housing provisions of the bill account for \$1,400 million over the next 40 years. The other provisions of the bill come to only a little more than \$1 billion. I would say in essence that the bill is a continuation of the present housing urban renewal and public housing program. Senators will recall that for a number of years I have not felt justified in subsidizing our cities. Most of them are better off financially than the Federal Government. We have been giving them two-thirds, three-fourths, and sometimes 100 percent of the cost of renewal projects and other facilities.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ROBERTSON. Mr. President, will the Senator yield an additional 30 seconds?

Mr. SPARKMAN. I yield 30 seconds to the Senator from Virginia.

Mr. ROBERTSON. Certainly the public housing program does not reach 5 percent of those who are qualified for that type of help. If we carried the program to its ultimate conclusion, it would be a grand experiment in socialism and it would bankrupt us financially. So I submitted a brief minority statement indicating that I could not go along with the urban renewal or public housing features of the bill. But I say again that when the distinguished Senator from Alabama took a \$9 billion bill and cut it down to a \$2.5 billion bill, he won my warm praise and very sincere thanks.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. To what type of housing does the \$1.4 billion item which the Senator mentioned refer?

Mr. ROBERTSON. Public housing. Each unit costs \$14,000 or more, which is a gift from the Federal Government to the underprivileged ones.

Mr. SPARKMAN. I appreciate the remarks, particularly the kind remarks, of the Senator from Virginia, our distinguished chairman. I wish to pay my respects to the very fine cooperation that he gave us throughout in connection with the formulation of the proposed legislation. He has always been cooperative, even though he differs with certain provisions of the bill. He never stands in the way of getting prompt consideration and getting a bill to the floor of the Senate. I wish to express my appreciation to him for that.

Mr. TOWER. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum without the time consumed by the quorum call being charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, for the time being, the Senate proceed to the consideration of certain bills on the calendar to which there is no objection, beginning with Calendar No. 1204, H.R. 11611.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will proceed to state the measures on the calendar, commencing with order No. 1204.

NATIONAL COMMISSION ON TECHNOLOGY, AUTOMATION, AND ECONOMIC PROGRESS

The Senate proceeded to consider the bill (H.R. 11611) to establish a National Commission on Technology, Automation, and Economic Progress which had been reported from the Committee on Labor and Public Welfare with amendments on page 4, line 13, after the word "Technology", to strike out "and"; in line 14, after the word "Commission", to insert "and the Director of the United States Arms Control and Disarmament Agency"; in line 18, after the word "and", to strike out "the Secretary"; on page 5, line 4, after the word "The", to strike out "Commission" and insert "President"; at the beginning of line 5, to insert "by and with the advice and consent of the Senate and, without regard to the provisions of the Classification Act of 1949, as amended, to fix the compensation of,"; and on page 6, at the beginning of line 21, to strike out "\$2,000,000" and insert "\$1,000,000".

Mr. CLARK. Mr. President, the Committee on Labor and Public Welfare, to whom was referred the bill (H.R. 11611) to establish a National Commission on

Technology, Automation, and Economic Progress, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

This bill was originally sponsored by Senator HART, of Michigan. To him should go the principal credit for pushing the bill through committee and to passage on the floor.

The bill provides for the creation of a 14-member Presidential Commission to undertake a broad assessment of the impact of technological change and automation upon production, employment, and communities. The Commission will recommend to the President and the Congress appropriate measures to minimize any harmful dislocations which may be engendered by technological change and maximize its benefits for economic progress.

The 14 members of the Commission will be appointed by the President, with the advice and consent of the Senate, from persons outside the Government who have competency relevant to the concerns of the Commission.

The bill establishes a Federal Inter-agency Committee to serve the Commission in an advisory and liaison capacity. Committee membership consists of the Secretaries of Agriculture, Labor, Commerce, Defense, and Health, Education, and Welfare, and the heads of NASA, Council of Economic Advisers, Office of Science and Technology, Atomic Energy Commission, and Arms Control and Disarmament Agency.

The Executive Secretary of the Commission with the responsibility to direct the work of the Commission's staff will also be appointed by the President with confirmation by the Senate.

The Commission will appoint its own staff of professional, technical, and clerical personnel and is further authorized to enter into research or study contracts with private organizations.

The information and the resources of the various governmental agencies are specifically made available to the Commission upon the request of the Commission's Chairman.

The Commission may submit such interim reports and recommendations as it may determine to be desirable and will submit a final report of its findings and recommendations to the President and to the Congress by January 1, 1966. The Commission will go out of existence 30 days after submitting its final report.

The bill provides that not more than \$1 million may be appropriated for the work of the Commission.

BACKGROUND

It is a sad commentary upon the state of our economic understanding that we know more about the energy creation process than we do about the job creation process. In testimony on this bill before the House of Representatives, Secretary of Labor W. Willard Wirtz remarked:

It is a startling thing that we do not know whether the machines will, within the next 5 years, throw an additional 5 million people out of work, or put to work the 5 million who are presently out work * * *. This is the worst form of ignorance.

For 7 months in 1963, the Subcommittee on Employment and Manpower of the Senate Committee on Labor and Public Welfare held extensive hearings on the employment problems confronting the Nation. After hearing testimony from more than 150 expert witnesses, it became quite clear to the subcommittee that there is a vast field of ignorance concerning the short- and long-term impact of technological change upon production, employment, and communities. But the rising tide of serious concern over these problems, as a result of unacceptably high levels of unemployment ever since the Korean war, has led public discussion into the byways of unsubstantiated opinion instead of positions based on understanding.

Technological change has become the one unalloyed characteristic of modern industrial society. It has become one of the chief symbols of man's ingenuity in overcoming his physical limitations in order to satisfy his wants. And few of us can escape the impression that the pace of technological change quickens with each new discovery or invention. Major alterations in manufacturing which once required several lifetimes now seem to come in decades or less and these innovations are now invading the field of human services.

But as technological advance moves us materially forward, our lack of knowledge concerning how to accommodate ourselves to rapid technological change gives birth to new concerns. Although the labor adjustment and displacement problems which have become major issues in recent years may be traced historically to the early days of the industrial revolution when such groups as the Luddites smashed machines in protest against being displaced, the high levels of unemployment of the last 10 years, persisting even through one of the longest lived periods of economic expansion in many decades, have reinforced this concern.

There are those who argue that the pace of technological change is accelerating markedly and that this will call for radically new departures in public policy. The advocates of this position are by no means confined to the labor movement. There are industrialists and academicians in their ranks, too.

Their thesis carries added force because of a number of new phenomena. The range of application of mechanized systems has been dramatically broadened. Until recently, it has been argued, only simple repetitive physical operations could be mechanized, and even then, at great expense. However, the rapid advance in technology, supported by massive Federal as well as private research and development efforts has made it possible to mechanize much more complex operations. Multipurpose machinery, in contrast to that performing single, specialized functions, has permitted greater flexibility and thus more versatile systems. In addition, whole new areas of application have been opened up in personal and professional services. The potential for mechanization has been compounded by the use of computers for feeding instructions to machines.

Those who expect an acceleration in the pace of technological change have in mind that management, public as well as private, is under great pressure to increase efficiency and the quality of output. Mechanization is one very obvious route to that end and management cannot afford to ignore it.

The prospect of an accelerating rate of technological change and the wide range of potential applications have caused grave concern among some who foresee a basic change in the relationship between work and output. They foresee the day when human labor will become redundant in many fields, and workers thus affected will have to be provided with an income unrelated to the amount of work they perform.

A large group of leaders in industry and in the economic profession, however, do not share these concerns about the impact of new technology. Spokesmen for this group view technological change as the key ingredient in the process of economic growth and job creation. Others such as the Council of Economic Advisers, argue that as long as the economy expands at a sufficiently rapid rate more than enough jobs are created to make up for those eliminated by technological change. This view also assumes that workers can and do adjust rather easily to change as long as there is adequate economic growth. It must be pointed out, however, that a number of bottlenecks have already developed in the labor market when the adjustment of workers has not been fast enough to avoid prolonged periods of unemployment.

NEED FOR THE BILL

In its 7 months of hearings on the Nation's manpower problems, the Subcommittee on Employment and Manpower found that there is little concrete understanding of the process of technological change:

This lack of understanding stems from a confusion of tongues—a failure to define terms and a tendency to lump all technological developments under one increasingly meaningless term; automation. A paucity of statistical data and a tendency to ignore that which does not square with cherished preconceptions is also, to some extent, responsible.

The establishment of a National Commission on Technology, Automation, and Economic Progress would be a first giant step toward correcting current misunderstanding. Broadly representative, such a Commission would be able to recommend to the President and Congress measures which would assure that technological change works for and not against us. It would attempt to anticipate the likely impact of technological change on communities, industry, and the labor force in the foreseeable future and recommend public policies for channeling these innovations into directions most promising for the continual prosperity of the country and maximum employment of the labor force, as well as the overall improvement of our communities.

In addition, the Commission will address its attentions to the peculiar impact of Federal research and develop-

ment programs upon the economy during the last 15 years and recommend steps for applying as much as possible of the scientific and technological expertise acquired in these programs to general community and economic news outside the specific areas of defense and space.

It will further recommend what it believes to be the proper role of Federal research and development expenditures in assuring that technological progress yield the greatest possible benefits for increased employment and economic progress.

Perhaps most importantly, it would assess the impact of technological change on the occupational structure of the labor force and attempt to anticipate the major new job requirements and types of worker displacement, both technological and economic, which are likely to occur in the next 10 years.

Finally, the Commission will make its recommendations as to the responsibilities of government at all levels, as well as labor and management, concerning measures which will facilitate occupational adjustment and geographical mobility and prevent and alleviate the adverse impact of technological change on displaced workers.

The need for this legislation outweighs a considerable reluctance on the part of the subcommittee to see the creation of another special agency. But the urgency of concern on this issue warrants it. The Commission is required to submit its final report by January 1, 1966. It cannot possibly provide answers to all questions about technological change and automation in such a short time. For this reason, and because the Commission is dissolved after submitting its final report, the subcommittee feels that the Commission should take the question of continuous appraisal as one of its primary concerns. The objectives established in section 1 of the act were purposely left broad in scope to give the Commission freedom of action and flexibility in approach. This was intended to permit the Commission a high degree of flexibility and independence. The Commission should recognize, however, that much work in this field has been, and is being done, both in and out of Government. It should draw upon that work and present to the President and Congress its findings based upon this knowledge and whatever new information it has gathered. Where gaps in our understanding of this problem still remain, it should recommend how they can best be filled.

By coordinating and synthesizing the many separate efforts now devoted to determining the effect of technological change, this Commission can provide a new basis for intelligent public policy in this field.

MAJOR PROVISIONS OF THE BILL

The bill establishes a 14-man Commission from among persons outside the Government with demonstrated high-level skills and competency in the fields to be investigated. The members will be broadly representative of the various segments of our industrial and academic life directly concerned, including at least two members representing labor and two

The PRESIDING OFFICER. The question is on agreeing to the Committee amendments.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

CONVEYANCE OF CERTAIN FEDERAL LAND TO KERN COUNTY, CALIF.

The Senate proceeded to consider the bill (H.R. 189) to authorize the conveyance of certain Federal land under the jurisdiction of the Naval Ordnance Test Station, China Lake, Calif., to the county of Kern, State of California, which had been reported from the Committee on Armed Services, with an amendment, on page 1, line 10, after the word "Kern", to strike out "for the same consideration for which it was originally acquired by the United States" and insert "at a price equal to 50 per centum of the fair market value as determined by the Secretary of the Navy".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1270) explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

The purpose of H.R. 189, as amended, is to authorize the Secretary of the Navy authority to convey to Kern County, Calif., approximately 105.5 acres of land situated in that county and presently comprising part of the land occupied by the Naval Ordnance Test Station at China Lake, Calif. The land to be conveyed would be used by Kern County for park, recreational, and civic purposes.

Under the terms of the bill, consideration for the conveyance would be 50 per cent of the fair market value as determined by the Secretary of the Navy.

EXPLANATION OF THE BILL

The Naval Ordnance Test Station, China Lake, Calif., is a naval facility engaged in research, development, and testing naval weapons. It consists of 1,090,000 acres of land located in Kern County, Calif., the land having been acquired in increments over the years since 1942.

The land under consideration in this legislation is a small segment of the station located in the southwest portion thereof. It is undeveloped and no current Navy development is planned for this area. The Navy has determined the property to be excess, but under ordinary circumstances would not dispose of it as any use of the land must be subject to limitations prohibiting interference with electronic emissions and the erection of structures which would interfere with the flight pattern. The Navy has indicated to the county, however, its willingness to declare it excess provided it would be acquired by the county and used for park, recreational, or other civic functions.

The naval ordnance test station is located

in a relatively isolated area of Kern County in the Mojave Desert. The community of Ridgecrest, which adjoins the station, came into being largely as a result of the existence of the naval facility. Inasmuch as it is located in an isolated area, the community facilities ordinarily made available by municipal and county governments are, for the most part, nonexistent. Ridgecrest is an unincorporated community. The county, however, recognizes the need for the establishment of recreational and community facilities and is, therefore, willing to proceed with the establishment of these facilities provided that the necessary land can be obtained at nominal cost.

The community of Ridgecrest has a population of approximately 5,000 people whereas the Federal community at China Lake has a resident population of approximately 10,000 inhabitants. Therefore, it is evident that residents of the Federal reservation at China Lake will be major beneficiaries of the recreational, park, and educational facilities proposed to be provided on the property.

Kern County contemplates the establishment of a large-scale development on this property. This development would include recreational activities, a county library, and other facilities which would be of benefit to the residents of both the Naval Ordnance Test Station, China Lake, and the adjacent community of Ridgecrest, Calif.

The Department of the Navy advises that it knows of no circumstances in this case which would warrant departure from disposal under the Federal Property and Administrative Service Act of 1949. Disposal under the provisions of this act, assuming no other Government requirements, would result in Kern County being able to acquire the property for 50 per cent of its fair value if used for park and recreational purposes, and discounts up to 100 per cent for those portions used for educational purposes. In this instance the educational aspect appears to be the possible construction of a library. The estimated fair market value of the property is \$85,000.

COMMITTEE ACTION

The committee is of the opinion that this disposal is for a worthy purpose and in the public interest, but sees no reason why the consideration should not be consistent with the formula provided for under the Surplus Property Act of 1944, as amended.

FISCAL DATA

The enactment of this measure will not involve the expenditure of any Federal funds.

BILL PASSED OVER

The bill (H.R. 11296) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies and offices, for the fiscal year ending June 30, 1965, and for other purposes, was announced as next in order.

Mr. MANSFIELD. Over.

The PRESIDING OFFICER. The bill will be passed over.

THE 1965 GIRL SCOUT SENIOR ROUNDUP ENCAMPMENT

The bill (H.R. 9634) to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment and provide certain services to the Girl Scouts of the United States of America, for use at the 1965 Girl Scout senior roundup encampment, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

INCREASE IN FEES FOR SALE OF U.S. NAVAL OCEANOGRAPHIC OFFICE PUBLICATIONS

The bill (H.R. 10319) to amend title 10, United States Code, to authorize increased fees for the sale of U.S. Naval Oceanographic Office publications was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF CERTAIN NAVAL VESSEL LOANS

The bill (H.R. 11035) to authorize the extension of certain naval vessel loans now in existence was announced as next in order.

Mr. JAVITS. Mr. President, before this bill is considered, I should like to know what is involved.

Mr. MANSFIELD. Mr. President, the bill would authorize the extension of the existing loans of 40 ships to 12 countries. The President desires authority to extend the loans of 40 ships to certain friendly foreign countries, such as Argentina, Brazil, China, Germany, Greece, Italy, Japan, the Netherlands, Peru, Spain, Thailand, and Turkey. This extension would serve mutual advantages and is considered in the best interests of the United States.

Mr. JAVITS. May we know how much is involved? Are there minority views?

Mr. MANSFIELD. There are no minority views. The measure was reported from the Armed Services Committee unanimously.

Mr. JAVITS. What is the cost involved?

Mr. MANSFIELD. No expenditure of Federal funds is involved.

Mr. JAVITS. I have no objection.

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may have inserted an explanation from the report and other matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

PURPOSE OF THE BILL

This bill would authorize extension of the existing loans of 40 ships to 12 countries.

SUMMARY

The President desires authority to extend the loans of 40 ships to certain friendly foreign countries. The countries and the number and type ships involved are:

Loans to be extended:

Argentina, two submarines.

Brazil, two destroyers.

China, four destroyers.

Germany, five destroyers.

Greece, four destroyers.

Italy, three submarines.

Japan, four destroyers, two destroyer escorts, and one submarine.

Netherlands, two submarines.

Peru, one destroyer.

Spain, three destroyers and one submarine.

Thailand, one destroyer escort.

Turkey, five submarines.

Mutual advantages

Internal and external security: The committee was informed that the ships proposed for extension under this bill will be used by the recipient countries to discharge naval responsibilities assumed by them in their

areas. These ships will assist the recipient countries in maintaining their own internal security, in protecting their coasts and coastal lines of communication, and in protecting sea lines of communication.

Antisubmarine capability: The Department of Defense regards as most important the achievement of a strong antisubmarine capability in the areas where these ships are loaned. This contribution by the recipient countries to offsetting a prospective submarine threat enhances the total defense capability of the free world. To the extent that recipient countries develop an anti-submarine capability, U.S. naval forces will be freed from certain antisubmarine tasks.

Readiness and maintenance: Although the U.S. Navy reserve fleet is a source of great potential naval strength, this potentiality would be increased if all the ships could be adequately manned, operated, and maintained in an active status. The cost of such operation by the United States is prohibitive in peacetime. Operation and maintenance of the vessels by allies can assist in keeping the equipment ready for use and in good condition.

Deployment: Obviously, it is important to have naval forces properly positioned to counter an enemy threat. If the allies to whom the ships are on loan have the vessels functioning at the outbreak of any hostilities, time will be saved in the positioning of ships in the geographical areas where they are in use.

Dispersion of our reserve fleet: The U.S. Navy reserve fleet has been dispersed as widely as available berthing space and reasonable access to repair and overhaul facilities for periodic rehabilitation would permit. Extending the loan of the ships that are the subject of this bill tends to reduce undesirable concentration of reserve vessels even more.

Extension of U.S. influence: The recipients of loans of U.S. ships have tended to adopt U.S. Navy doctrines and standards of operation and maintenance. This result has come about under the personnel training program carried out before and after transfer of the ships. During such training, naval personnel of foreign nations had the opportunity to observe U.S. Navy organizations in action and to observe America and Americans during their periods of leave and liberty. The officers and men who received this training will provide the leadership for their navies in the years to come.

Recipient nations

Requests received: Since World War II, the United States has received many requests for ships from foreign countries. These requests have been evaluated in terms of needs of the requesting countries, mobilization requirements of the United States, worldwide demands on our resources, and the availability of mutual defense assistance funds.

Ships proposed for extension under this bill will continue to satisfy some of the more urgent requests that have been considered. The ships that are proposed for extension under the bill are part of our mobilization base but they are in the possession of allies and not lost to the United States.

Ability of countries to use: The ability of the countries concerned to operate these vessels properly has been checked by the country teams composed of the U.S. Ambassador, the chief of the military assistance advisory group, and the U.S. operations mission in each country involved.

Agreements with foreign countries

It is proposed that, upon enactment of the bill into law, a formal agreement will be concluded by the State Department with the recipient foreign government. It will be for a term of 5 years with a 5-year renewable clause and will stipulate that the ships be used in accordance with the conditions of

the mutual defense assistance agreement. Title remains in the United States even though the ships may be placed under the recipient government's flag. Possession of the ships will not be relinquished without consent of the United States, and no claims arising as a result of transfer and operation of the ships may be assessed against the United States. The United States may repossess these ships at any time if necessitated by its own defense requirements. At the expiration of the loan, the ships will be returned in the same condition as when loaned, except for fair wear and tear, but if a ship is damaged or lost through enemy action, the recipient country is exempt from liability for such damage or loss.

Pertinent laws

Section 7307 of title 10, United States Code, provides as follows:

"SEC. 7307. RESTRICTION ON DISPOSAL: (a) Notwithstanding any other provision of law, no battleship, aircraft carrier, cruiser, destroyer, or submarine of the Navy may be sold, transferred, or otherwise disposed of, unless the Chief of Naval Operations certifies that it is not essential to the defense of the United States.

"(b) Without authority from Congress granted after March 10, 1951, no battleship, aircraft carrier, cruiser, destroyer, or submarine that has not been stricken from the Naval Vessel Register under section 7304 of this title, nor any interest of the United States in such a vessel, may be sold, transferred, or otherwise disposed of under any law."

It is this provision of law that requires the type of legislative authority that would be provided under this bill.

COMMITTEE VIEWS

It is apparent that if a friendly free world nation will maintain and operate a ship it will be of a greater value to the United States and to the free world than it would be if kept in mothballs where it would take 3, 6, or 9 months to get it in commission in an emergency. These friendly and capable forces in being can make a significant contribution to the defense of the free world in the event of an emergency. If the ships were to be recalled, we would be faced with the choice of mothballing them at a cost of about \$200,000 to \$300,000 each or disposing of them as scrap. The former course would entail considerable expense to add to an already adequate mobilization reserve of these types of ships. This, of course, is not recommended and the committee approves the extension of these loans.

FISCAL DATA

The enactment of this measure into law will not involve the expenditure of any Federal funds.

MOTION TO RECONSIDER CERTAIN MEASURES PASSED TODAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the bills passed on an unobjected-to basis today be reconsidered.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. I thank the Senator from Alabama [Mr. SPARKMAN] and the Senator from Texas [Mr. TOWER] for yielding.

HOUSING ACT OF 1964

The Senate resumed the consideration of the bill (S. 3049) to extend and amend laws relating to housing, urban renewal,

and community facilities, and for other purposes.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. SPARKMAN. Mr. President, before we commence debate of the pending measure, the Housing Act of 1964, that is, S. 3049, I wish to make a few personal remarks. I wish to thank the members of the subcommittee and the full committee for the cooperative spirit which prevailed throughout the executive sessions when we met to consider 1964 housing legislation. In addition, I wish to thank the staffs of both the subcommittee and the full committee for the efforts they contributed during the preparation of this year's housing legislation.

The pending housing bill is a relatively modest bill when one considers the many, many bills and other matters which were before the committee for consideration. Primarily, it is an "extension" bill. Some have referred to it as a barebones bill. I do not know whether I would refer to it in this manner, but if the barebones definition is used to imply that the committee bill is a good bill, then I subscribe to that definition.

There are, of course, those who will not agree that the committee bill is a good bill. This is not unusual. In fact, I can say that there are some provisions with which I am not entirely in agreement. Yet, there are few pieces of legislation that come before this body upon which all 100 Senators are in agreement, no matter how large or how small the bill.

I believe the committee did a good job considering all the circumstances. Let me tell you about these circumstances.

When the 2d session of the 88th Congress convened on January 7, 1964, there were some 29 bills pending before the Housing Subcommittee. Following the convening of the 2d session of the 88th Congress, the President's housing message was received on January 27, 1964, and the administration's proposed Housing and Community Development Act of 1964—S. 2468—was introduced and referred to us. In addition, some 11 other bills pertaining to housing legislation were introduced and also referred to the subcommittee.

When we met in executive session on July 1, to prepare recommendations for 1964 housing legislation, we had some 41 bills to consider. Many of these bills, like the administration's Housing and Community Development Act of 1964 (S. 2468), contained very complex and far-reaching proposals which the subcommittee had not had sufficient time to study. Testimony during the hearings also revealed that some public and private housing groups felt they had not had sufficient time to consider some of the complex matters, and therefore they requested that we defer the more complex proposals until a later date.

Because of these circumstances, and because of the short period of time remaining in this Congress, it was the consensus of the subcommittee members that our recommendations to the committee for 1964 housing legislation should only extend, either by date or by the addition of funds, existing housing programs for a period of approximately 15 months—until October 1, 1965. In addition, the members felt our recommendations should contain such technical or procedural amendments as would permit more efficient administration of existing programs and as would help to meet the broad aims of the national housing policy. Members also felt that we should include provisions on subjects which the subcommittee had studied that would be helpful to meet the housing needs of the people. The subcommittee's recommendations to the full committee followed, in general, these principles.

The committee agreed to these general principles. The committee accepted the subcommittee's proposals and added several provisions to a committee bill which were in keeping with the general outline of the principles suggested by the subcommittee. I believe the general principles followed in developing the committee bill are sound, and I say again, I think S. 3049 is a good bill.

Let me now turn briefly to one other matter before commencing with the explanation of the committee bill.

I have already mentioned the administration's Housing and Community Development Act of 1964, which I introduced, by request, on January 27, 1964. I said at the time I introduced the bill, that it contained many good provisions that I felt would have the effect of broadening and improving some of the housing programs presently on the statute books. On the other hand, I said it contained some provisions which were controversial and other provisions which I personally did not feel I could support in their present form. The committee bill is one that I can support.

Mr. President, let us now turn to the pending measure, that is S. 3049. I ask unanimous consent to include in the RECORD, at this point in my remarks, a section-by-section summary of the Housing Act of 1964.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION SUMMARY OF S. 3049, HOUSING ACT OF 1964

TITLE I—MORTGAGE INSURANCE PROGRAMS

Additional relief for home mortgagors in default due to circumstances beyond their control

Section 101 (a) and (b): Amends section 204(a) and section 203 of the National Housing Act to (1) permit additional relief to FHA mortgagors who are in default due to circumstances beyond their control, (2) make lenders more willing to extend forbearance to those mortgagors who are in default rather than proceeding to immediate foreclosure.

Correction of substantial defects in mortgaged homes

Section 102: Amends title V of the National Housing Act by adding a new section which

would enable FHA, if the builder does not provide relief, to aid distressed homeowners who find structural or other major defects in their properties purchased with FHA-insured loans. FHA could correct the defects, pay the homeowner's claim on account of the defects, or acquire the property. The authority would be available for new homes purchased not more than 3 years prior to enactment of the Housing Act of 1964. Requests for relief would be required to be received by FHA not later than 4 years after insurance of the mortgage or shorter periods if the FHA so requires.

Home improvement loans outside of urban renewal areas

Section 103: Amends section 203(k) of the National Housing Act to make the home improvement loan insurance program for homes outside of urban renewal areas more workable and more acceptable to lenders. The requirement that FHA find the property with respect to which a loan is executed to be "economically sound" would be removed and the more liberal "acceptable risk" requirement substituted. FHA would also be authorized to pay insurance benefits on the loans in cash in case of default.

Mortgage insurance for nonprofit nursing homes

Section 104: Amends section 232 of the National Housing Act to make private nonprofit nursing homes eligible for FHA-insured mortgages financing the construction or rehabilitation of nursing homes. The same terms and limitations as are now applicable to FHA-insured mortgages financing proprietary nursing homes would be applicable to the mortgages for nonprofit mortgagors.

The Surgeon General of the United States would be required to certify to FHA the need for a nursing home.

TITLE II—URBAN RENEWAL AND GROWTH

Code enforcement

Section 201: Amends section 101(c) of the Housing Act of 1949 to add to the workable program a requirement that, beginning 3 years after the date of enactment of the Housing Act of 1964, no workable program will be certified or recertified unless the locality has had in effect for at least 6 months a minimum standards housing code and the Housing and Home Finance Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with the code.

Amends section 110(c) of the Housing Act of 1949 to authorize a new type of urban renewal project which could consist entirely or substantially of a project of intensive code enforcement in an urban renewal area, and permits the cost of code enforcement activities carried out in clearance and redevelopment projects, and in rehabilitation or conservation projects, to be included as a part of eligible project cost.

However, code enforcement activities in clearance and redevelopment projects, and in rehabilitation or conservation projects, could be included as an eligible project cost only if the community agrees to increase its total expenditures for code enforcement activities by an amount equal to its share of the project cost attributable to the code enforcement activities in the project area. Similarly, a community could receive assistance for the new type of code enforcement urban renewal project authorized by this section only if it agrees to increase its total expenditures for code enforcement by an amount equal to its share of the cost of such project.

Loan contract for two or more projects

Section 202: Amends section 102 of the Housing Act of 1949 to permit the Housing Administrator to enter into a single contract with a local public agency to provide the temporary financing needed for all urban

renewal projects undertaken in the locality at any one time.

Capital grant authorization

Section 203: Amends section 103(b) of the Housing Act of 1949 to increase the present urban renewal grant authority by \$850 million in order to provide for continued operation of the program until October 1, 1965.

Feasible method for relocation of individuals

Section 204: Amends section 105(c) of the Housing Act of 1949 to require local public agencies to assure that adequate housing will be available for individuals as well as families displaced from urban renewal areas.

Property to be used for housing for moderate-income families or individuals

Section 205: Amends section 107(b) of the Housing Act of 1949 to permit the sale of real property in an urban renewal area at a special reduced price to purchasers who will use such real property to provide housing for low- or moderate-income individuals. The sale of real property at a special reduced price is already available for housing for low- or moderate-income families.

Amendment of definition of "going Federal rate"

Section 206: Amends section 110(g) of the Housing Act of 1949 to permit the interest rate set for an urban renewal contract for loan or advance to apply not only to the amount originally authorized, but also to any additional amounts authorized by subsequent amendments to the contract.

Projects involving the acquisition and development of air-rights sites

Section 207: Amends section 110(c) of the Housing Act of 1949 to specifically authorize urban renewal projects for air-rights developments to be used in providing sites for low- or moderate-income housing and related facilities and uses. And air-rights project could be undertaken in an area which is not itself a slum, blighted, deteriorated, or deteriorating area if it consists principally of land in highways, railway, or subway tracks, bridge, or tunnel entrances, or other similar facilities which have a blighting influence over surrounding areas. Such a project could include the construction of foundations and platforms, as well as acquisition of the necessary development rights. In no case, however, could noncash local grant-in-aid credit be given for the donation of air development rights over streets, alleys, or other public rights-of-way.

Relocation payments to displaced persons and businesses

Section 208: Amends title I of the Housing Act of 1949 by adding to it a new section which would authorize additional federally reimbursed relocation payments to families, elderly individuals, and businesses displaced from urban renewal areas, as follows:

Families and elderly individuals: To low- or moderate-income families, or individuals 62 years of age or over—displaced between January 27, 1964, and October 1, 1965—monthly payments—for up to 12 months—in an amount which, when added to 20 percent of their income, would equal the average rent required in the community for a decent, safe, and sanitary dwelling of modest standards and adequate size. Payments would be made only to families and individuals for whom no public housing is available, and could not exceed the estimated portion of an annual contribution attributable to a corresponding unit of public housing.

Small business concerns: To a displaced independent business with average annual earnings of less than \$10,000 per year, \$1,000 plus an additional \$1,500 if it has not been reestablished within 1 year.

Urban renewal demonstration program

Section 209: Amends section 314 of the Housing Act of 1954 to increase from \$5 to

\$10 million the grant limitation for the urban renewal demonstration grant program and makes program funds available to pay the full cost of writing and publishing reports on demonstration projects and similar undertakings.

Urban and regional planning grants

Section 210: Amends section 701(a) of the Housing Act of 1954 to make the following changes in the program of urban planning:

1. Would permit a grant for planning assistance to any group of adjacent communities of less than 50,000 population and having common or related urban planning problems, whether or not "resulting from rapid urbanization" as now specified in the statute.

2. Would authorize grants (where the State planning agency or Governor assents) to regional or metropolitan planning bodies for direct planning assistance to smaller municipalities and other areas of under 50,000 population. Planning assistance may now generally be provided such areas only by a State planning agency.

3. Would authorize planning assistance, without regard to the otherwise applicable 50,000 population limitation, to municipalities and counties in any redevelopment areas designated under section 5 of the Area Redevelopment Act. Such designation must now be under section 5(a) of that act.

4. Would permit three-fourth grants for certain planning in any redevelopment areas designated under section 5 of the Area Redevelopment Act (rather than just under sec. 5(a)), and would make planning for Indian reservations and groups of adjacent communities eligible for such grants.

Eligibility of counties for planning assistance

Section 211: Amends section 701(a) of the Housing Act of 1954 to authorize Federal grants for planning assistance to counties without regard to population (rather than only to counties with populations of less than 50,000 as presently provided). Planning assistance to counties of 50,000 or more population which are within metropolitan areas would be provided only if the Housing Administrator finds that the planning for the county will be coordinated with the program of comprehensive planning, if any, which is being carried out for the metropolitan area. In addition, the aggregate amount of grants available for counties of 50,000 or more population which are within metropolitan areas would be limited to 15 percent of the aggregate amount appropriated, after the date of enactment of the Housing Act of 1964, for grants under the section 701 program.

Planning problems resulting from Chamizal Treaty of 1963

Section 212: Authorizes the Housing and Home Finance Administrator to make comprehensive urban planning grants, under section 701 of the Housing Act of 1954, to El Paso, Tex., to assist it in solving urban planning problems resulting from the Chamizal Treaty of 1963. Any such grants made to El Paso would be at the regular matching level and subject to the same conditions and requirements applicable to other section 701 grants.

Planning grants for Indian reservations

Section 213: Amends section 701(a) of the Housing Act of 1954 to authorize grants to a State planning agency, or to a qualified tribal body designated by the Secretary of the Interior, for planning assistance to an Indian reservation.

Planning grant authorization

Section 214: Amends section 701(b) of the Housing Act of 1954 to increase by \$30 million the authorization of appropriations for urban planning grants.

Eligibility of certain local grants-in-aid

Section 215: Makes expenditures made by St. Francis Hospital, Peoria, Ill., for the

purchase of certain land eligible to be counted as local grants-in-aid to the Peoria Medical Center urban renewal project.

Nonresidential projects in the District of Columbia

Section 216: Amends section 316 of the Housing Act of 1954 to provide that urban renewal projects in the District of Columbia may include urban renewal projects authorized by the Housing Act of 1949 without regard to the residential or nonresidential character or reuse of the urban renewal area.

TITLE III—HOUSING FOR LOW-INCOME FAMILIES

Eligibility of displaced individuals

Section 301: Amends sections 2(2), 10(g) (2), and 15(7)(b) of the U.S. Housing Act of 1937 to make single low-income displaced persons eligible for admission to low-rent housing regardless of age or disability status.

Additional subsidy for urban renewal and low-rent housing displacees

Section 302: Amends section 10(a) of the U.S. Housing Act of 1937 to authorize a special subsidy, similar to the present special subsidy for the elderly, of up to \$120 per year for units occupied by displacees when the rental for such units is less than that which would normally be charged were they leased to low-income families which were neither elderly nor displaced.

Certification of equivalent elimination

Section 303: Amends section 10(a) of the U.S. Housing Act of 1937 to permit local governing bodies to establish their compliance with the equivalent elimination requirements of the act by certifications of such compliance.

Increase in authorization for annual contributions

Section 304: Amends section 10(e) of the U.S. Housing Act of 1937 to increase by \$36 million the limit on contracts for annual contributions of low-rent public housing in order to authorize approximately 45,000 additional units.

Relocation of families and individuals displaced from project sites

Section 305: Amends section 15(7)(b) of the U.S. Housing Act of 1937 to establish for the low-rent public housing program the same basic relocation requirements as are applicable to the urban renewal program.

Relocation payments

Section 306: Amends section 15 of the U.S. Housing Act of 1937 to provide for relocation payments to families, individuals, businesses, and nonprofit organizations displaced from low-rent public housing project sites on the same basis as relocation payments made to urban renewal displacees. These would include the new kinds of payments that would be authorized under section 208 of the bill for displaced business concerns.

Low-income housing demonstration program authorization

Section 307: Amends section 207 of the Housing Act of 1961 to increase from \$5 million to \$10 million the amount authorized for grants to assist in developing and demonstrating new and improved means of providing housing for low-income persons and families.

TITLE IV—COMMUNITY FACILITIES

Public facility loans

Section 401: Amends section 202 of the Housing Amendments of 1955 to (1) make clear that instrumentalities of one or more States and instrumentalities of municipalities or other political subdivisions in one or more States are not precluded from receiving assistance under the public facility loans program if otherwise eligible, and (2) make financial assistance under the public facility loans program available to any public agency or instrumentality serving one or more mu-

nicipalities, political subdivisions, or unincorporated areas in one or more States without regard to the aggregate population of the communities which it is serving, so long as each of these communities is within the existing population limits of the program.

Advance acquisition of land

Section 402: Amends section 202 of the Housing Amendments of 1955 to authorize the Housing Administrator to make loans, with deferred payment of principal and interest, to communities to finance the acquisition of open or predominantly undeveloped land planned to be utilized in connection with the future construction of public works and facilities. These loans would have to be reasonably secured; would bear interest at the rate prescribed by the statutory formula in the public facility loans program (currently 4 percent); and would have a maximum maturity of 15 years. These loans would be made from the authorization for the public facility loans program, but would not be subject to the population limit in that program.

Advances for public works planning

Section 403: Amends section 702 of the Housing Act of 1954 to (1) authorize additional appropriations of not to exceed \$20 million for public works planning advances; (2) permit a public agency which constructs only a part of a public work planned with an advance under the first or second as well as the third advance planning programs to repay only that proportionate amount of the advance as the Administrator determines to be equitable; (3) authorize the Administrator to terminate all or a portion of the liability for repayment of any advance made under the first, second, or third advance planning programs upon terms and conditions he deems equitable; (4) authorize the Administrator to terminate any agreement for an advance under the first, second, or third advance planning programs whenever he determines that there is no reasonable likelihood that the public work planned will be constructed; (5) eliminate the requirement that the applicant for a planning advance must hold in a separate account the funds required to finance the costs of preparing a plan for the construction of a public facility; and (6) make Indian tribes eligible for public works planning advances.

TITLE V—MORTGAGE INSURANCE PROCEDURAL AMENDMENTS

Time limit on FHA recoupment of title I insurance payments

Section 501: Amends section 2(g) of the National Housing Act to remove FHA's authority to demand return by lenders of insurance benefits they have received on title I defaulted property improvement loans where claims were certified for payment prior to December 31, 1957, and FHA finds defects in the loans. Under present law, where claims of lenders were certified for payment after December 31, 1957, FHA cannot demand return of payment if 2 years have passed after the certification, but the 2-year limit for demand of return does not apply to loans certified prior to that date.

Optional cash payment of insurance benefits

Section 502: Amends title V of the National Housing Act by adding a new section which would authorize the Federal Housing Commissioner, in his discretion, to pay insurance claims in cash when at the time of payment, he determines this to be desirable. This authority could be used in place of issuing and then calling debentures, but would in no way authorize the FHA to obligate itself to pay in cash rather than debentures.

Low-cost housing in outlying areas

Section 503: Amends section 203(1) of the National Housing Act to raise from \$9,000 to \$11,000 the dollar limit on the amount of a mortgage which can be insured by the Federal Housing Commissioner on low-cost housing in outlying areas.

Changes in FHA insurance benefits and simplification of payment procedures

Section 504: Amends the National Housing Act to simplify the collection of insurance claims by lenders. This would include the elimination of "certificates of claim" on home mortgages, and providing for appropriate increases in the amount of the debentures paid to the lenders.

Would also eliminate payment of mortgage premiums by lenders upon multifamily mortgages after application for insurance benefits.

Elimination of mandatory acquisition or foreclosure within 1 year of multifamily project in default

Section 505: Amends section 207(k) of the National Housing Act to eliminate the requirement that the Federal Housing Commissioner acquire or foreclose a multifamily housing project within 1 year of the default on the mortgage.

Room count limitation in FHA multifamily projects

Section 506: Amends the National Housing Act to substitute for the present room count limit on the amount of an FHA-insured mortgage financing a multifamily housing project a limit based on the number of family units in the project combined with dollar limits per family unit based on the number of bedrooms in each unit. The dollar-per-unit limits could be increased by not to exceed 45 percent in high-cost areas.

FHA section 221 housing for low- or moderate-income persons

Section 507: Amends section 221(c) of the National Housing Act to authorize individual elderly persons to purchase or occupy low- and moderate-income housing financed under the section 221 mortgage insurance program. This would include rental housing financed with mortgages bearing below-market interest rates under the section 221(d) (3) program.

Also amends section 221(d) (3) of the National Housing Act to permit any mortgagor (which could include a trust, partnership, or individual) approved by the Federal Housing Commissioner to be a mortgagor under the below-market rental housing program for low- and moderate-income families authorized by that section if the mortgagor is regulated by the Commissioner as to rents, charges, and methods of operation in a manner that will effectuate the purposes of the program.

Adds language to section 221(e) to provide that the Commissioner may approve as a mortgagor under the below-market rental housing program a mortgagor which has entered into an agreement with a private nonprofit corporation eligible for an insured mortgage under the program that the mortgagor will sell the project when it is completed to the corporation at the actual cost of the project. The mortgagor to whom the property is sold would be regulated by the Commissioner by imposing occupancy restrictions, income limits on tenants, low rentals, and other restrictions which would carry out the purpose of providing housing for low- or moderate-income families or persons.

Mortgage insurance for servicemen

Section 508: Amends section 222(b) of the National Housing Act to authorize members of the Armed Forces and the Coast Guard to obtain, on the special terms provided by the section 222 mortgage insurance program for servicemen, housing financed under the section 221 mortgage insurance program for low- or moderate-income families.

Private financing of sale of FHA-acquired properties

Section 509: Amends section 223(c) of the National Housing Act to encourage private financing of the sale of FHA-acquired properties by authorizing FHA to insure mortgage

loans made by private lenders to the purchasers of the properties without regard to limitations or requirements usually applicable to insured mortgages.

Experimental housing

Section 510: Amends section 233 of the National Housing Act to permit mortgages which meet the requirements of any of the title II mortgage insurance programs of FHA to be insured under the experimental housing program if the housing involves the utilization or testing of new design, materials, construction methods, or experimental property standards for neighborhood design. Under present law, only mortgages which meet the requirements of the regular section 203 home mortgage insurance program or the section 207 rental housing program can be insured under the special experimental housing program.

Mortgage insurance for condominiums

Section 511: Amends the National Housing Act to perfect FHA authority for condominium mortgage insurance by (1) liberalizing the maximum mortgage terms for the purchase of individual units to conform to regular section 203 terms; (2) permitting condominiums to consist of more than one structure; (3) permitting an investor-sponsor cooperative to convert to a condominium; and (4) authorizing special mortgage insurance for construction or rehabilitation of a condominium structure (before it is sold in units) as distinguished from the existing practice of insuring the structure under the regular FHA rental programs.

TITLE VI—PARTICIPATION IN FNMA POOL OF MORTGAGES

Pooling of mortgages for sale

Section 601(a): Amends section 302 of the FNMA Charter Act to add a new subsection (c) which would vest FNMA with fiduciary powers and enable FNMA to sell beneficial interests or participations in mortgages or interests therein. FNMA would be authorized to guarantee these beneficial interests or participations and instruments evidencing these beneficial interests or participation would be exempted from the SEC laws.

(b) Amends section 311 of the FNMA Charter Act to include the types of instruments issued by FNMA in a fiduciary capacity within the definition of legal investments set forth in that section.

(c) Amends section 5136 of the Revised Statutes to exclude instruments issued by FNMA in a fiduciary capacity from the limitations imposed by Federal banking laws. As a result, national and other affected banks would be able to deal in, underwrite, and purchase for their own account participations and other instruments issued by FNMA in a fiduciary capacity, as they may now do with respect to FNMA obligations.

(d) Amends subsection (h) of section 11, and section 16, of the Federal Home Loan Bank Act to permit investment of surplus and reserve funds of Federal home loan banks in instruments issued by FNMA in its fiduciary capacity.

(e) Amends section 5 of the Home Owners' Loan Act of 1933 to permit the investment of Federal savings and loan associations' assets in instruments issued by FNMA in its fiduciary capacity.

(f) Amends pertinent provisions of chapter 37, title 38, United States Code, dealing with the GI loan program administered by the Veterans' Administration, so as to provide authority for the Veterans' Administration to join in the financing arrangements authorized by this title. It would also provide for disposition of the proceeds received by VA from the sale of participations. The ownership of VA's mortgages, as well as the servicing and management of such mortgages, would remain in the VA unless there is a default as to the related participations.

Also amends section 1823 of title 38, United States Code, so as to make it clear that the time limit imposed by that section for return to the Treasury of all sums in the direct loan revolving fund upon completion of the direct loan program will not prevent maintenance of a reasonable reserve for meeting commitments arising out of the new financing arrangements contemplated by this title.

TYPE VII—RURAL HOUSING

Extension of rural housing programs

Section 701: Amends sections 511, 512, 513, and 515 of the Housing Act of 1949 to extend certain rural housing programs until October 1, 1965.

In addition, this section would authorize an additional \$150 million for the program of direct housing loans administered by the Farmers Home Administration and increase from \$100,000 to \$300,000 the maximum amount of a loan which may be insured under section 515(b) of title V for rental housing and related facilities for elderly persons and elderly families in rural areas.

Definition of domestic farm labor

Section 702: Amends section 514(f) of the Housing Act of 1949 and redefines "domestic farm labor" to make immigrant farm laborers permanently residing in the United States after legal entry for permanent residence, as well as citizen farm laborers, eligible to occupy housing financed with loans under that section.

Low-rent housing for domestic farm labor

Section 703: Amends title V of the Housing Act of 1949 by adding a new section which would authorize grants of up to two-thirds of the cost of providing low-rent housing for domestic farm labor. Grants could be made upon the application of a State or political subdivision thereof, or any public or private nonprofit organization. The applicant would be required to agree (1) not to charge rentals exceeding amounts approved by the Secretary, (2) to maintain the housing at all times in a safe and sanitary condition, and (3) to give domestic farm labor an absolute priority for occupancy. Ten million dollars are provided for this new program for the period ending September 30, 1965.

TITLE VIII—MISCELLANEOUS

FNMA—Purchase of participations

Section 801: Repeals section 304(d) of the Federal National Mortgage Association Charter Act and so eliminates the restriction on FNMA purchasing participations in mortgages under its secondary market operations.

Open-space program—Grant authorization

Section 802: Amends section 702(b) of the Housing Act of 1961 to increase by \$25 million the authorization for the open-space grant program and provide that amounts appropriated for the program shall remain available until expended.

Housing for the elderly—Loan authorization

Section 803: Amends section 202 of the Housing Act of 1959 to increase by \$75 million the authorization of appropriations for loans for housing for the elderly.

College housing

Section 804: Amends section 404(b) of the Housing Act of 1950 to permit a college housing loan to be made to an eligible nonprofit corporation without requiring the educational institution to cosign the note for the college housing loan whenever State law prevents the educational institution from acting as cosigner. However, the loan could not be made to the nonprofit corporation without the educational institution cosigning the note unless the educational institution approved the proposed college housing project and the nonprofit corporation.

Acquisition of rental housing project

Section 805: Amends section 404(a) of the Housing Amendments of 1955 to authorize

the Secretary of Defense to acquire any housing financed with mortgages insured under section 608 of the National Housing Act (including adjacent property constructed primarily to provide commercial facilities for the occupants of such housing) completed prior to July 1, 1952, which is situated on or adjacent to a military installation and which was considered as necessary military housing prior to construction.

Fellowships for city planning and urban studies

Section 806: This section would authorize the appropriation of up to \$500,000 annually for a 3-year period to the Housing and Home Finance Administrator to provide fellowships in public and private nonprofit institutions of higher learning for the graduate training of professional city planning and urban and housing technicians and specialists. The Administrator would be directed to consult with the Department of Health, Education, and Welfare in administering the program.

Federal savings and loan associations

Section 807: Amends section 5(c) of the Home Owners' Loan Act of 1933 to broaden the investment powers of federally chartered and federally insured savings and loan associations by (1) extending the statutory lending area for such an association (now 50 miles of its home office) any area within 100 miles of the home office; (2) permitting a Federal association to invest up to 40 percent (now 30 percent) of its assets in first liens and participating interests in first liens on improved real estate outside its basic lending area; (3) permitting a Federal association to make loans secured by a leasehold if the term of the leasehold does not expire (or is renewable automatically by the holder or the association) for at least 15 years beyond the maturity of the loan, or for such longer period as the Federal Home Loan Bank Board may prescribe; (4) permitting a Federal association to invest not more than 5 percent of its assets in real property and obligations or interests in obligations secured by first liens on real property located within an urban renewal area; (5) permitting a Federal association to invest up to 2 percent of its assets in a State corporation if the entire capital stock of the corporation is open to and issued only to savings and loan associations and federally chartered associations in that State; and (6) permitting nonfederally insured or guaranteed home mortgages with maturities of 30 years (now 25 years) to be accepted by a Federal home loan bank as collateral for an advance to its members.

Real estate loans by national banks

Section 808: Amends section 24 of the Federal Reserve Act to liberalize limits on home loans made by national banks by permitting the loans to be in amounts up to 80 percent (now 75 percent) of the appraised value of the real estate offered as security and to have maturities of up to 30 years (now 20 years).

Mr. SPARKMAN. Mr. President, following the principles set out by the subcommittee that I have already discussed, the committee bill would extend the termination dates on all existing housing programs for a 15-month period, that is until October 1, 1965. On those programs which are not terminated by date but which are governed in their duration by the amount of funds available to carry them on, the bill would authorize funds to continue the programs for a 15-month period at their present operating level. Let me now discuss those programs that were continued by fund increases.

CAPITAL GRANT AUTHORIZATION

The first continuing authorization dealt with in the committee bill is that of the urban renewal capital grant author-

ization. The bill would increase the obligatory authority available to the Administrator for the next 15 months by \$850 million. Nearly all of the available capital grant authority under the urban renewal program is now obligated. The committee was advised that there is a backlog of applications totaling over \$500 million. About 260 new projects requiring \$700 million in contract authority are expected to be approved during fiscal year 1965. In agreeing to the \$850 million new authorization for the 15-month period, the committee was aware of the backlog of applications and the ever-increasing number of new projects. It was also aware that the gross aggregate dollar volume of applications would probably exceed the amount made available by this bill. Nevertheless, we felt that the current level of activity under this program is reasonable.

URBAN RENEWAL DEMONSTRATION PROGRAM

The second authorization dealt with in the committee bill would increase by \$5 million the funds that would be available for the urban renewal demonstration grant program, which is carried on under section 314 of the Housing Act of 1954. The present authorization for this program is completely committed and unless new funds are authorized the program will come to a halt. While I will not go into a detailed discussion of the demonstration projects which have been undertaken under this small program, Senators will find a detailed discussion commencing on page 19 of the committee report.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. I yield myself 2 additional minutes.

PLANNING GRANT AUTHORIZATION

The committee bill would increase the amount which can be appropriated for grants under the urban planning program, that is section 701 of the Housing Act of 1954, by \$30 million. Present appropriation authority under this bill is nearly exhausted—I believe the remaining balance of the appropriation authority is about \$2.5 million—and here again, this additional authority will continue the program at its present level for the next 15 months.

INCREASE IN AUTHORIZATION FOR ANNUAL CONTRIBUTIONS

The bill would increase the limit on contracts for annual contributions for low-rent public housing by \$36 million. This amendment would be adequate to contract for about 45,000 additional units, according to information presented to the committee. This number of units will permit the Housing Agency to continue for the next 15 months contracting for new units at about the same rate as in the last few years.

LOW-INCOME HOUSING DEMONSTRATION PROGRAM AUTHORIZATION

The committee bill would increase by \$5 million the amount authorized for grants by the Housing and Home Finance Agency to assist in developing and demonstrating new and improved means of providing housing for low-income persons and families. I might add here that the committee report contains a discus-

sion, commencing on page 29, relative to the projects which have been undertaken with funds available from the demonstration program.

ADVANCES FOR PUBLIC WORKS PLANNING

The bill would authorize the appropriation of an additional \$20 million for carrying out a program for advances in public works planning. At the present time appropriation authority for this program is exhausted.

EXTENSION OF RURAL HOUSING PROGRAMS

The committee bill contains a two-fold extension relative to the rural housing programs. First, it would extend the rural housing programs contained in title V of the Housing Act of 1949 until September 30, 1965, thus effecting the same 15-month extension for this program. Second, it would authorize an additional \$150 million to continue the title V direct loan program for the 15-month period.

OPEN-SPACE PROGRAM—GRANT AUTHORIZATION

The bill would increase the amount which can be appropriated for grants under the open-space program by \$30 million. Again, the additional appropriation authority is in keeping with other sections of the bill, to continue existing programs for a 15-month period.

HOUSING FOR THE ELDERLY—LOAN AUTHORIZATION

The committee bill would increase the amount which may be appropriated for the direct loan elderly housing program, that is the section 202 program of the Housing Act of 1959, by \$75 million. Again, this amount will continue the program at its same rate during the coming 15-month period.

In addition to extending existing programs, the committee approved a number of substantive changes which it felt were necessary to broaden and improve existing programs. I should like to give a brief explanation of some of these.

FHA FORBEARANCE PROVISION

The committee approved amendments which would provide additional relief to FHA mortgagors in default due to circumstances beyond their control. Existing law gives the FHA Commissioner authority to work out arrangements to help prevent foreclosure proceedings against worthy individual mortgagors who are having difficulty in making their mortgage payments. The committee found, after an extensive study of this subject, that the law was not broad enough to cover all situations and that action needed to be taken to make it workable.

Of most benefit to homeowners is the new authority which would permit lenders to recast or reamortize the mortgage and extend mortgage maturities, and thus reduce monthly mortgage payments in deserving cases. The committee understands that, in general, forbearance would be limited only to the most deserving cases and to those who have reasonable expectation of working out of their difficulties in a short period of time.

CORRECTION OF SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

Under this provision, the FHA would be authorized to aid distressed homeowners who find structural or other major defects in their properties pur-

chased with FHA-insured loans. The committee held extensive hearings on this subject and was told about a number of cases in which the homeowner, after living in his home for a short while, found critical structural defects in his home but was unable to have them corrected because the builder either refused or was financially unable to do anything about them. The burden was unfairly loaded onto the homeowner.

Under the committee bill, the FHA would be authorized to correct the defects, pay the homeowner's claim on account of the defects, or acquire the property. A request for relief would have to be filed by the homeowner not later than 4 years after the insurance of the mortgage. In order to avoid the FHA being deluged with complaints because of minor matters, the language in the bill limits such claims only to structural defects which affect the livability of the home.

MORTGAGE INSURANCE FOR NONPROFIT NURSING HOMES

The bill would amend existing law to make private nonprofit nursing homes eligible for FHA insured mortgages. Existing law limits such insurance to proprietary nursing homes, and the committee felt it only fair that this authority should be extended to the nonprofit nursing homes.

Everyone who has had elderly parents or other family members seeking nursing home care knows that great need for more and better nursing homes. FHA financing will help reduce costs to enable more nonprofit sponsors construct these badly needed facilities.

CODE ENFORCEMENT

The bill would add several new provisions which have as their purpose the strengthening of code enforcement activities within our cities. Under existing law, Federal assistance for urban renewal, public housing, and some FHA programs are subject to approval of a workable program by the city. One requirement under the workable program is that the city must have a minimum housing code being enforced to the satisfaction of the Housing Administrator. The committee was presented testimony to the effect that minimum housing codes are not being applied as effectively as they should be, and that some action should be taken to give the Administrator more authority relative to the workable program requirement.

The committee bill would strengthen code enforcement in two respects. First, it would authorize the use of urban renewal funds to carry out code enforcement activities within urban renewal areas and, secondly, it would amend the workable program requirement so that, beginning 3 years after enactment of this bill, no workable program would be certified or recertified unless the locality had a minimum standards housing code in effect for at least 6 months. Also the Housing Administrator would have to be satisfied that the locality is carrying out an effective program of enforcement consistent with the code.

I know there is a great deal of difference of opinion on the use of code enforcement to solving the housing prob-

lem in our cities. Some feel that the answer to this problem is the construction of more houses, not code enforcement. In general, I subscribe to this view and I have consistently supported laws to help finance new houses to build up the supply, and we need more of this. However, I am convinced that it is also important to maintain the existing housing supply through reasonably well administered code enforcement programs, and that a small amount of money spent as a preventive measure can save millions of dollars in areas which would otherwise become slums and have to be bulldozed.

I am also aware of the argument that code enforcement is a precisely local matter and not in the province of the Federal Government. I fully subscribe to this and agreed to the new provisions with the understanding that the minimum standards housing code be developed locally and that the work be administered solely under local direction and supervision.

RELOCATION PAYMENTS

The bill would increase relocation benefits to low-income families, elderly individuals, and small business concerns displaced from urban renewal areas.

For displaced families and elderly individuals, monthly payments would be allowed for a period of 12 months to make up the difference between what the displacee can afford—20 percent of income—and the rent required for decent housing. The purpose of this is to allow some rental readjustment to those who are forced to move from their homes because of urban renewal and who cannot afford decent housing in a new location. Safeguards are written into the new law to limit such aid to those who need it.

Existing law merely provides reimbursement for moving expenses and direct loss of property up to \$200 for displaced families, which the committee believes was far from adequate to recompense these people for their dislocation.

For small business concerns, those whose average earnings are less than \$10,000 per year, the bill would authorize a readjustment payment of \$1,000 upon displacement plus an additional \$1,500 if, because of the displacement, the business concern is unable to reestablish itself within 1 year. Present law permits payments to the displaced business up to \$3,000 for direct loss of property and for all moving expenses.

FARM HOUSING

The bill would add several provisions to help improve the housing of our farm and rural people. Changes were included which would make more workable the rural program of rental housing for the elderly, and a program is added which would help provide low-cost rental housing for domestic farmworkers. Under this new program, grants would be made to defray two-thirds of the cost of constructing modest rental quarters for occupancy by domestic farmworkers. Sponsoring would come from farmers' cooperatives and other nonprofit groups, as well as from State or other political entities.

EXPANSION OF URBAN PLANNING ASSISTANCE PROGRAM—SECTION 701

The bill would expand the urban planning assistance program to make eligible large counties—50,000 or more population—and other types of planning bodies which are not now eligible for this type of assistance.

Under this program, the Federal Government makes grants, principally through State planning agencies, to help small cities and small counties carry out extensive planning programs. It is one of our most popular programs and has done an outstanding service in helping the small cities in their urban planning. The Federal Government pays two-thirds of the cost and the local government pays the other one-third.

OTHER AMENDMENTS

In addition to the provisions I have mentioned above, the bill would amend existing FHA law in a number of respects to improve it and make it more effective in providing low-priced homes for our people. As you know, the FHA has been in existence now for 30 years and has done a tremendous job of helping to provide homeownership and decent rental housing for millions of our people. FHA programs, however, are not astatic and need constant attention to keep them up to date and make them workable under current conditions.

Likewise, the committee considered individual amendments relative to urban renewal, low-rent housing, community facilities, FNMA, savings and loan associations, and national banks. These follow in general the FHA procedural amendments to strengthen and improve existing programs and make them more workable under today's conditions.

As I have said, there are other provisions in the bill which are aimed primarily at assisting in the administration and operation of existing programs. Generally, we did not adopt new measures or new programs that were submitted to us. Yet we sought to continue a housing program that will carry out the housing objectives which were laid down by Congress in the Housing Act of 1949—that is, to encourage private industry to provide the housing needs insofar as it could, and to provide Government participation only to the extent that it became necessary, looking toward the eventual goal of a decent, sanitary, and safe house, in suitable surroundings, for every American family.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. I yield myself 3 additional minutes.

Mr. LAUSCHE. I have received letters from builders in Ohio who construct single-family dwellings. They have read reports that the bill contains a provision making applicable the Davis-Bacon Act to single-family dwellings, as distinguished from multifamily dwellings. What is the understanding of the Senator from Alabama pertaining to that question?

Mr. SPARKMAN. There is nothing in the bill to that effect.

Mr. LAUSCHE. Is the Senator from Ohio correct in his understanding that the only mention of the Davis-Bacon Act in the bill is the making of it applicable under title VII to the construction of low-rent housing for domestic farm labor?

Mr. SPARKMAN. The Senator is correct. It applies to existing law in the case of multifamily housing. The section to which the Senator refers is multifamily housing.

Mr. LAUSCHE. The bill contemplates the development of a program of low-rent housing for domestic farm labor. Is that correct?

Mr. SPARKMAN. Yes.

Mr. LAUSCHE. An expenditure of approximately \$10 million is authorized for that type of housing.

Mr. SPARKMAN. In cooperation with State and local political subdivisions.

Mr. LAUSCHE. Yes; either government or nonprofit organizations must put up one-third, and the Federal Government puts up two-thirds.

Mr. SPARKMAN. Yes.

Mr. LAUSCHE. The only new provision dealing with Davis-Bacon applies to the low rental housing for domestic farm labor, which is a new program included in the bill. Is that correct?

Mr. SPARKMAN. The Senator is correct. That is in conformance with existing legislation.

I reserve the remainder of my time.

I yield 2 minutes to the Senator from Alaska.

Mr. GRUENING. Mr. President, 25 months ago in this Chamber I introduced a bill to amend the National Housing Act to protect purchasers of homes covered by FHA-insured mortgages against major defects. The date was June 21, 1962.

Today, on July 31, 1964, I have the privilege of rising to support S. 3049, the Housing Act of 1964, a bill containing an amendment to the National Housing Act which is designed to correct structural or other major defects in FHA-mortgaged homes.

This is a happy occasion and I am pleased to have this opportunity to thank the many men and women who have made this correction possible.

The amendment is not worded precisely as I had drafted it, but more important, the new proposed section 517 will enable the Federal Housing Commissioner to extend aid to distressed homeowners who, in the words of the report:

After relying upon FHA construction standards and inspections, find structural or other major defects in their properties purchased with FHA-insured loans.

This protection, which will be available to the home-buying American consumer, is needed.

This assurance giving real meaning to the words "FHA insured" will do much to restore the faith of individual citizens in their Government.

The need for this protection was graphically brought to the attention of the members of the Alaska congressional delegation in 1962 when the purchasers of approximately 50 prefabricated homes near Anchorage, Alaska, registered com-

plaints concerning the condition of their new FHA-insured homes.

When the sad condition of the then-new FHA-approved homes constructed by Modern Homes, Inc., in the Eagle River subdivision of Anchorage was brought to the attention of officials of the Federal Housing Administration it was pointed out that even though the homes had been represented to prospective purchasers as "FHA-insured" no legal liability upon the Federal Housing Administration to insure that the houses delivered met the standards of specifications established by the Federal Housing Administration existed.

In the months which have followed since the Eagle River dilemma was first called to my attention, similar cases have been brought to light in other parts of the country. Actually, we will never know how many home buyers throughout the country have been lulled into a false sense of security when purchasing FHA-insured homes.

Now, the chance for deception—unintended or deliberate—has been greatly reduced.

It is worthwhile to recall for the RECORD one sample letter brought to my attention from one homeowner in Eagle River. The letter was sent to the builder of the FHA-insured homes—Modern Homes, Inc., of Anchorage—by Robert L. and E. Birdean Johnson. The Johnson home contained 15 listed flagrant defects. I read:

EAGLE RIVER, ALASKA,
January 24, 1962.

MODERN HOMES, INC.,
Anchorage, Alaska
(Attention: Mr. Paul Stoffel).

DEAR MR. STOFFEL: In accordance with the current FHA Home Owners Guide you are hereby officially notified of many serious defects existing in our home situated on lot 17, block 5, Eagle River Heights Subdivision, Alaska.

These numerous defects are:

1. Ice builds up on the roof overhang and water leaks into the house.
2. Excessive heat loss through the roof.
3. Inadequate heat and cold floors even after the installation of additional cold air returns to the furnace.
4. Water runs onto the floor when shower is used in master bath.
5. Frost accumulation on interior walls during cold weather.
6. Nailheads showing lumps in floor tile and tile cracking at the subfloor joints.
7. Furnace throws out soot and dirt.
8. Base kitchen cabinets pulling away from wall and cabinet doors are splitting.
9. Bathroom exhaust fan not vented to the outside.
10. Window tension strips are sloppy fitted and permit drafts.
11. Ceiling tile separating along center-line of house.
12. The ceiling is uneven and has wavy lines in the finish.
13. Wall paneling loose and buckling.
14. Refrigerator is not the full size as advertised in your sale literature.
15. Storm doors and storm windows improperly and poorly installed.

In addition to the above serious defects you are also advised of misrepresentation on the part of your sales representative; to wit: We are charged \$9 per month for water, street lights and street maintenance. When purchase of our home was discussed with Mr. Hawthorne, your sales representative, he ad-

vised that besides our normal payments and utilities we would have a charge of \$5 per month for water. No mention was made of other charges when he was asked. Request you give an official clarification of the charge per month for street lighting and maintenance.

Your reply and corrective action will be expected promptly.

Sincerely,

ROBERT L. JOHNSON.
E. BIRDEAN JOHNSON.

The Alaska delegation in midyear 1962 immediately asked that the complaint in Anchorage be investigated by the Federal Housing Administration. Dr. Robert Weaver, the knowledgeable Administrator of the Housing and Home Finance Agency, parent agency of the Federal Housing Administration, and then FHA Commissioner Neal J. Hardy were as shocked as I when informed of the problems. Commissioner Hardy subsequently endorsed S. 3460, predecessor bill to my S. 1200.

Changes have been made in management of the FHA office in Alaska and this particular story had a satisfactory ending, because the homeowners complained to me, and because the FHA—to its everlasting credit—moved swiftly and required the contractor, Modern Homes, Inc., and Centrex Construction Co. to correct the defective features. The corrections of the defective features cost approximately \$100,000, I have been told.

But not all homeowners have been so fortunate. The bill before us will give protection to the homeowners and not merely to the bank that lends the mortgage money.

With the passage of this proposed new section amending the National Housing Act, the FHA could correct substantial defects or pay the homeowner's claim on account of the defects, or acquire the property. Authority would be available for the Commissioner to do this if the owners request assistance from the Commissioner not later than 4 years after insurance of the mortgage and if the property encumbered by a mortgage insured under the Housing Act occurred not more than 3 years prior to the enactment of the Housing Act of 1964.

This strengthening of the National Housing Act is not an indictment of the parent agency. It is a simple act of restoring consumer faith in the Federal Government. It corrects inequities which are wrong.

Many have helped work on this corrective language. I wish I could list each of them by name. They have earned our commendation. Now we must make sure the language is used properly.

Mr. TOWER. Mr. President, I yield myself 5 minutes on the bill.

On the whole, I was gratified by the spirit with which the Housing Subcommittee approached this measure.

Rather than dealing with new and complex supplements to existing housing legislation, there was a genuine desire to keep the bill down to what we can call a bare bones bill. I am afraid we were carried away on occasion, to the extent that some things were added to the bill that should not have been added to the bill at this time, and which I

believe should have been considered in the context of our deliberations in the next Congress, at which time we shall try to put together, over the period of time that it is necessary, an omnibus housing bill that will deal with some of the foibles and weaknesses of the present legislation, as well as add additional provisions that are thought to be necessary.

I believe it would be impossible for us to consider an omnibus bill. It is my fervent hope that no substantial amendments will be added to the bill which would expand the legislation in any considerable way.

A number of studies are underway which will be valuable to us when the Housing Subcommittee resumes its deliberations in the next Congress. Therefore, I hope we shall pass what might be termed a bare bones bill, or one that involves primarily and simply an extension of existing housing legislation.

I intend to offer an amendment in the nature of a substitute which will deal with matters that are dealt with in the present bill. Indeed, everything that is contained in my substitute is in the present bill, but it omits some items that were taken up a little too hastily, especially considering the fact that they are things we can well deliberate upon when the Housing Subcommittee resumes its work in the next Congress.

Mr. President, I send to the desk my amendment in the nature of a substitute for S. 3049. I ask unanimous consent that the amendment not be read, but that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment in the nature of a substitute is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That this Act may be cited as the 'Housing Act of 1964'."

"TITLE I—FHA INSURANCE PROGRAMS"

"Time limit on FHA recoupment of title I insurance payments"

"SEC. 101. Section 2(g) of the National Housing Act is amended by striking out 'after December 31, 1957,'."

"FHA section 221 housing for low- or moderate-income elderly persons"

"SEC. 102. (a) Section 221(e) of the National Housing Act is amended by adding at the end thereof the following: 'Any person sixty-two years of age or over may be construed to be a family within the meaning of the terms "family" or "families" as those terms are used in this section.'

"(b) The last sentence of section 221(f) of such Act is amended by striking out 'July 1, 1965', each place it appears, and inserting in lieu thereof 'September 30, 1965'."

"Mortgage insurance for servicemen"

"SEC. 103. Section 222(b) of the National Housing Act is amended by—

"(1) striking out in paragraph (1) '203 (b) or 203(1)' and inserting in lieu thereof '203(b), 203(1), or 221(d) (2)'; and

"(2) striking out in paragraph (2) 'such principal obligation shall not exceed \$9,000' and inserting in lieu thereof 'or section 221 (d) (2) such principal obligation shall not exceed the maximum limits prescribed for those sections'."

"Private financing of sale of FHA-acquired properties"

"SEC. 504. Section 223(c) of the National Housing Act is amended by striking out 'limi-

tation upon eligibility contained in this title II' and inserting in lieu thereof the following: 'limitations or requirements contained in title II upon the eligibility of the mortgage, the payment of insurance premiums, or upon the terms and conditions of insurance settlement and the benefits of the insurance to be included in such settlement'."

"Mortgage insurance for nonprofit nursing homes"

"SEC. 105. (a) Section 232(b)(1) of the National Housing Act is amended by inserting after 'proprietary facility' the following: 'or facility of a private nonprofit corporation or association'."

"(b) Section 232(d)(4) of such Act is amended to read as follows:

"'(4) The Commissioner shall not insure any mortgage under this section unless he has received from the Surgeon General of the United States a certification (1) that the State agency, designated in accordance with section 612(a)(1) of the Public Health Service Act for the State in which the proposed nursing home would be located, has certified the need for such a nursing home, (2) that there are in force in such State or other political subdivision in which the proposed nursing home would be located reasonable minimum standards of licensure and methods of operation for nursing homes, (3) that satisfactory assurances have been obtained that such standards will be applied and enforced with respect to any nursing home for which mortgage insurance is provided under this section located in such State or other political subdivision, and (4) of the amount of the Federal share, if any, of the cost of the project with respect to which assistance under this section is sought.'"

"TITLE II—URBAN RENEWAL AND GROWTH"

"Capital grant authorization"

"SEC. 201. Section 103(b) of the Housing Act of 1949 is amended by striking out 'not to exceed \$4,000,000,000' and inserting in lieu thereof 'not to exceed \$4,850,000,000'."

"Urban renewal demonstration program"

"SEC. 202. Section 314 of the Housing Act of 1954 is amended by—

"(1) inserting '(a)' after '314.' at the beginning of this section;

"(2) inserting before the period at the end of the second sentence the following: 'Provided, That such a grant may cover the full cost of writing and publishing reports on such activities and undertakings';

"(3) inserting 'activities and' before 'undertakings' in the third sentence; and

"(4) striking out the last two sentences and inserting at the end of the section two new subsections as follows:

"'(b) The Administrator is further authorized to pay for the cost of (1) writing and publishing reports on activities and undertakings financed by grants made under this section, as well as reports on similar activities and undertakings, not so financed, which are of significant value in furthering the purposes of this section, and (2) writing and publishing summaries and other informational material on such reports.

"'(c) The aggregate amount of grants made under subsection (a) and costs incurred pursuant to subsection (b) shall not exceed \$10,000,000 and shall be payable from the grant funds provided under and authorized by section 103(b) of the Housing Act of 1949. The Administrator may make advance or progress payments on account of any contract entered into pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended.'"

"Eligibility of counties for planning assistance"

"SEC. 203. Section 701(a) of the Housing Act of 1954 is amended by striking out clause (A) of paragraph (1) and inserting in lieu thereof the following: '(A) cities and

other municipalities having a population of less than fifty thousand according to the latest decennial census, and counties without regard to population: *Provided*, That grants shall be made under this paragraph for planning assistance to counties having a population of fifty thousand or more, according to the latest decennial census, which are within metropolitan areas, only if (1) the Administrator finds that planning and plans for such county will be coordinated with the program of comprehensive planning, if any, which is being carried out for the metropolitan area of which the county is a part, and (ii) the aggregate amount of such grants made, which are subject to this proviso, does not exceed 15 per centum of the aggregate amount appropriated, after the date of enactment of the Housing Act of 1964, for the purposes of this section.'"

"Planning problems resulting from Chamizal Treaty of 1963"

"SEC. 204. Notwithstanding the provisions of section 701 of the Housing Act of 1954 with respect to the eligibility of a city for a grant thereunder, the Housing and Home Finance Administrator is authorized to make planning grants to the city of El Paso, Texas, for the purpose of assisting it to solve those urban planning problems that have resulted or are expected to result from the Chamizal Treaty of 1963 between the United States of America and the Republic of Mexico. Any such grants shall be subject to all other conditions and requirements contained in such section 701."

"Planning grants for Indian reservations"

"SEC. 205. (a) Section 701(a) of the Housing Act of 1954 is amended by—

"(1) striking out 'and' at the end of clause (B) of paragraph (1);

"(2) inserting ', and (D) Indian reservations' before the semicolon at the end of paragraph (1); and

"(3) inserting a new paragraph after paragraph (5) as follows:

"'(6) tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning for an Indian reservation to which no State planning agency or other agency or instrumentality is empowered to provide planning assistance under clause (D) of paragraph (1) above.'"

"(b) Section 701(d) of such Act is amended by—

"(1) striking out 'and urban regions' in the first sentence and inserting in lieu thereof 'urban regions, and Indian reservations'; and

"(2) inserting after 'instrumentalities' in the second sentence the following: ', and to Indian tribal bodies.'"

"Planning grant authorization"

"SEC. 206. Section 701(b) of the Housing Act of 1954 is amended by striking out '\$75,000,000' in the last sentence and inserting in lieu thereof '\$105,000,000'."

"Eligibility of certain local grants-in-aid"

"SEC. 207. Notwithstanding the provisions of section 112(b) of the Housing Act of 1949, expenditures made by Saint Francis Hospital, Peoria, Illinois, for the purchase of two parcels of land on or about June 25 and July 28, 1956, for a price of not more than \$82,980, shall if otherwise eligible be counted as local grants-in-aid to the Peoria 'Medical Center' urban renewal project (Illinois R-61) in accordance with the remaining provisions of title 1 of that Act."

"TITLE III—HOUSING FOR LOW-INCOME FAMILIES"

"Increase in authorization for annual contributions"

"SEC. 301. Section 10(e) of the United States Housing Act of 1937 is amended by striking out '\$336,000,000' and inserting in lieu thereof '\$372,000,000'."

"Low-income housing demonstration program authorization"

"SEC. 302. Section 207 of the Housing Act of 1961 is amended by striking out '\$5,000,000' and inserting in lieu thereof '\$10,000,000'."

"TITLE IV—MISCELLANEOUS"

"Open-space program—Grant authorization"

"SEC. 401. Section 702(b) of the Housing Act of 1961 is amended—

"(1) by striking out '\$50,000,000' and inserting in lieu thereof '\$75,000,000', and

"(2) by adding at the end thereof the following:

"All funds so appropriated shall remain available until expended."

"Housing for the elderly—Loan authorization"

"SEC. 402. Section 202(a) (4) of the Housing Act of 1959 is amended by striking out '\$275,000,000' and inserting in lieu thereof '\$350,000,000'."

"Advances for public works planning"

"SEC. 403. (a) Section 702(e) of the Housing Act of 1954 is amended to read as follows:

"(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances and claims outstanding as of such date in connection with advances made pursuant to title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791), and the Act of October 13, 1949 (63 Stat. 841-2). There are hereby authorized to be appropriated to such revolving fund, in addition to amounts authorized to be appropriated for this section prior to the date of enactment of the Housing Act of 1964, such sums, not to exceed \$20,000,000, as may be necessary to carry out the purposes of this section."

"(b) Section 702 of such Act is amended by adding at the end thereof the following new subsection:

"(h) (1) Notwithstanding any other provision of law, if a public agency undertakes to construct only a portion of a public work planned with an advance under this section, title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791), or the Act of October 13, 1949 (63 Stat. 841-2), it shall repay such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable.

"(2) The Administrator is authorized to terminate, upon such terms and conditions as he shall deem equitable, all or a portion of the liability for repayment of any advance made pursuant to this section, title V of the War Mobilization and Reconversion Act of 1944, or the Act of October 13, 1949. Whenever the Administrator determines that there is no reasonable likelihood that the public work, or a portion of the public work, planned with such advance will be constructed, he may terminate the agreement for the advance. Such determination shall be conclusive when based on standards prescribed by regulations to be issued by the Administrator."

"(c) Section 702 of such Act is amended by—

"(1) striking out in subsection (a) 'public agencies', wherever that term appears, and inserting in lieu thereof 'public agencies and Indian tribes';

"(2) striking out in clause (3) of subsection (b) 'public agency' and inserting in lieu thereof 'public agency or Indian tribe';

"(3) striking out in subsection (c) 'public agency', wherever that term appears, and

inserting in lieu thereof 'public agency or Indian tribe', and by striking out 'by such agency' and inserting in lieu thereof 'by such agency or tribe'; and

"(4) striking out in subsection (c) the following: 'That if the public agency undertakes to construct only a portion of a planned public work it shall repay such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable: And provided further,'."

"(d) Section 702(b) of such Act is amended by striking out the last sentence thereof."

"Extension of rural housing programs"

"SEC. 404. (a) The second sentence of section 511 of the Housing Act of 1949 is amended by—

"(1) striking out 'June 30, 1965' and inserting in lieu thereof 'September 30, 1965'; and

"(2) striking out '\$700,000,000' and inserting in lieu thereof '\$850,000,000'."

"(b) Section 512 of such Act is amended by striking out 'June 30, 1965' and inserting in lieu thereof 'September 30, 1965'."

"(c) Section 513 of such Act is amended by striking out 'June 30, 1965', each place it appears, and inserting in lieu thereof 'September 30, 1965'."

"(d) Section 515(b) of such Act is amended by—

"(1) striking out '\$100,000' in clause (1) and inserting in lieu thereof '\$300,000'; and

"(2) striking out '1964' in clause (5) and inserting in lieu thereof '1965'."

"Federal savings and loan associations"

"SEC. 405. (a) (1) The first sentence of section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out 'fifty miles of their home office' and inserting in lieu thereof 'one hundred miles from their home office, or within the State, District, Commonwealth, territory, or possession in which such home office is located'."

"(2) Section 403(b) of title IV of the National Housing Act is amended by striking out that part of the third sentence which precedes the first semicolon and inserting in lieu thereof the following: 'Each applicant for such insurance shall also file with its application an agreement that during the period that the insurance is in force it will not make any loans beyond one hundred miles from its principal office, but any applicant which, prior to the date of enactment of the Housing Act of 1964, has been permitted to make loans beyond such one hundred mile limit may continue to make loans within the territory in which the applicant is operating on such date: *Provided*, That any loan beyond fifty miles from its principal office and outside the territory in which the applicant is operating on the date of the enactment of such Act may be made, but only with the approval of, and pursuant to regulations of, the Corporation'."

"(b) The first proviso of section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out 'except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association'."

"(c) Section 5(c) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof a new paragraph as follows:

"For the purpose of this section, the terms 'real property' and 'real estate' shall include a leasehold or subleasehold estate in real property under a lease or sublease the term of which does not expire, or which is renewable automatically or at the option of the holder (or at the option of the association) so as not to expire, for at least fifteen years beyond the maturity of the debt, or for such longer period as the Board by regulation may prescribe."

"(d) The next to last paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows:

"Without regard to any other provision of this subsection, any such association is authorized to invest not more than 5 per centum of its assets in, or in interests in, real property located within urban renewal areas as defined in subsection (a) of section 110 of the Housing Act of 1949 and obligations secured by first liens on real property so located, but no investment shall be made by an association under this sentence in real property or any interest therein if the aggregate investment of the association under this sentence in real property and interests therein, determined as prescribed by the Board, would thereupon exceed 2 per centum of the assets of the association."

"(e) Section 5(c) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof a new paragraph as follows:

"Subject to rules and regulations of the Board, any such association is authorized to invest in the capital stock, obligations, or other securities of any corporation organized under the laws of the State, District, Commonwealth, territory, or possession in which the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of that State, District, Commonwealth, territory, or possession and by Federal savings and loan associations having their home offices therein, but no association may make any investment under this sentence if its aggregate outstanding investment under this sentence, determined as prescribed by the Board, would thereupon exceed 2 per centum of its assets."

"(f) Section 10(b) of the Federal Home Loan Bank Act is amended by striking out 'twenty-five' in clause (1) and inserting in lieu thereof 'thirty'."

"Real estate loans by national banks"

"SEC. 406. Clause (3) of the third sentence of the first paragraph of section 24 of the Federal Reserve Act is amended to read as follows: '(3) any such loan may be made in an amount not to exceed 80 per centum of the appraised value of the real estate offered as security and for a term not longer than thirty years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the entire principal of the loan within the period ending on the date of its maturity, and'."

"Projects involving the acquisition and development of air rights sites"

"SEC. 407. (a) Section 110(c) (1) of the Housing Act of 1949 is amended by—

"(1) inserting a new clause (iv) before the proviso to read as follows: ', or (iv) air rights in an area consisting principally of land in highways, railway or subway tracks, bridge or tunnel entrances, or other similar facilities which have a blighting influence on the surrounding area and over which air rights sites are to be developed for the elimination of such blighting influences and for the provision of housing (and related facilities and uses) for families and individuals of low- or moderate-income'; and

"(2) striking out in the proviso 'an open land project' and inserting in lieu thereof 'projects under (iii) and (iv) hereof'."

"(b) Section 110(c) of such Act is further amended by—

"(1) striking out 'and' at the end of paragraph (6), and redesignating paragraph (7) as paragraph (8); and

"(2) inserting after paragraph (6) a new paragraph as follows:

"(7) construction of foundations and platforms necessary for the provision on air rights sites of low- or moderate-income housing and related facilities and uses; and'."

"(c) Section 110(d) of such Act is amended by striking out 'project' and inserting in lieu thereof 'project, or of air

rights over streets, alleys, and other public rights-of-way).

Mr. TOWER. Mr. President, I am sorry that because of the limited time it was not possible to have the amendment in the nature of a substitute printed. Therefore, copies are not available to Senators. However, I have undertaken to pass around summaries of the substitute amendment that I have offered.

I say again that everything I offer in my substitute amendment is contained in the bill; however, I have omitted some items from the substitute. I shall not bother to go through the entire summary of my amendment; however, I ask unanimous consent that the summary be printed at this point in my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF TOWER AMENDMENT IN THE NATURE OF A SUBSTITUTE TO S. 3049, TO EXTEND AND AMEND LAWS RELATING TO HOUSING, URBAN RENEWAL, AND COMMUNITY FACILITIES AND FOR OTHER PURPOSES

EXTENSION OF EXISTING PROGRAMS

1. Urban renewal:

(a) Capital grant authorization: Increase authorization from \$4 to \$4.85 billion.

(b) Demonstration grant authorization: Increase authorization from \$5 to \$10 million. Also authorize Administrator to pay full cost of writing and publishing project reports (present law requires one-third of cost to be borne by locality even though results are of national interest).

(c) Urban planning grant authorization (sec. 701 of Housing Act of 1954): Increase authorization from \$75 to \$105 million.

2. Open-space program: Increase grant authorization from \$50 to \$75 million.

3. Low-rent housing: (a) Increase by \$36 million the limit on annual contributions contracts to provide for approximately 45,000 additional low-rent units.

(b) Low-income housing demonstration grant program: Increase authorization from \$5 to \$10 million.

4. Community facilities: Public works planning: Authorize additional appropriations not to exceed \$20 million.

5. Housing for the elderly: Increase by \$75 million (from \$275 to \$350 million) the authorization of appropriations for direct-loan program.

6. Rental farm housing for the elderly: Extend expiration date to October 1, 1965, and increase from \$100,000 to \$300,000 the maximum insurance.

7. Rural housing programs: Extend expiration date to September 30, 1965, and increases \$150 million (from \$700 million to \$850 million).

ADDITIONAL MATTERS COVERED IN TOWER SUBSTITUTE

Federal Housing Administration

Mortgage insurance for nonprofit nursing homes: Make nonprofit nursing homes eligible for same terms applicable to proprietary nursing homes under FHA section 232. Require certification by Surgeon General (need and minimum standards).

Require certification by Surgeon General Time limit on title I claims certified prior to December 31, 1957: Place a 2-year statutory limit on FHA claims against lenders for claims prior to December 31, 1957.

Eligibility of single elderly persons for section 221 housing: Authorize individual elderly persons to purchase or occupy section 221 housing.

Mortgage insurance for servicemen: Extend benefits of section 222 mortgage insurance to section 221 housing.

Private financing of sale of FHA-acquired property: Give Commissioner wide authority to insure mortgage loans on sale of FHA property.

Urban renewal

Air-rights sites: Authorize use of air rights sites for urban renewal projects.

Planning grants for Chamizal Treaty area: Authorize grants for planning in areas affected by Chamizal Treaty between United States and Mexico.

Planning grants for Indian reservations: Authorize grants for planning within Indian reservations.

Eligibility for certain grants-in-aid: Make expenditure made by St. Francis Hospital, Peoria, Ill., eligible as local grant-in-aid.

Other

Eligibility of large counties for planning assistance: Expand present 701 program to include counties of 50,000 population or more except within metropolitan areas. Such counties must coordinate their plans with metropolitan area plans and must fulfill minimum requirements on current budget expenditures for planning.

Savings and loan legislation:

Increase basic lending area from 50 to 100 miles.

Permit a Federal association to invest up to 40 percent (now 30 percent) of assets in participation or in loans outside basic lending area.

Permit a Federal association to accept leaseholds as security for loans provided leasehold runs for at least 10 years beyond loan maturity date.

Permit a Federal association to invest not more than 5 percent of assets in urban renewal property loans.

Permit a Federal association to invest up to 2 percent of assets in a State corporation wholly owned by State savings and loan associations or federally chartered associations.

Permit Federal Home Loan Bank to accept nonfederally insured 30 year mortgages (now 25 years) as collateral for advances to members.

Real estate loans by national banks: Permit national banks to make loans for an amount up to 80 percent (now 75 percent) of value and for 30 year terms (now 25 years).

Mr. TOWER. Mr. President, briefly, the provisions that I have omitted in my substitute are the forbearance provisions, relative to the time allowed to attempt to make adjustments before foreclosure proceedings are resorted to; the provision relative to the correction of substantial defects, which refers to structural defects in FHA housing; the provision with respect to home improvement loans outside urban renewal areas, which I think is a matter that should receive considerable study and discussion before it is included in a general housing bill; the provision relative to enforcement and providing for the use of funds in pursuance of local code enforcement, the implications of which should be considered, because code enforcement, generally speaking, is considered to be a local responsibility, just as police and fire protection are considered to be local responsibilities, since there is no uniformity of codes in localities throughout the country. Therefore, we need more time on that item.

Another provision that I omit relates to additional relocation payments. Currently, a study is being undertaken by the House of Representatives which I think will result in constructive recommendations along that line. It is my view, and I think the view of the ma-

jority of the members of the committee—certainly all members on my side of the aisle—that there must be provision for adequate relocation payments. This is a technical matter, one that requires more study before action is taken on it. It should not be acted on hastily.

Another provision that I omit relates to the acquisition of land under the community facilities program. The business of the Federal Government acquiring land for public works in advance or in anticipation of the need for those works should be studied carefully. Potentially, this is a dangerous program to embark on. It could be costly. It could result, perhaps, in windfalls for some people. It might possibly be used as a political football.

Mr. LAUSCHE. Mr. President, will the Senator yield on the last item?

Mr. TOWER. I yield.

Mr. LAUSCHE. What does the Senator's amendment propose to do about the provision allowing advance acquisition of land?

Mr. TOWER. My amendment would eliminate that provision from the current bill. My amendment is an amendment in the nature of a substitute. It is a barebones substitute for the so-called barebones bill now before the Senate. But the barebones bill has now acquired a little flesh in the process. It is quite skinny; nonetheless it has a little flesh. I am trying to strip off the bones what flesh was placed on them.

Mr. LAUSCHE. Is it the opinion of the Senator from Texas that advance acquisition renders the ultimate cost larger or smaller?

Mr. TOWER. I think it renders it larger. It might result in speculative endeavors. It could result in a substantial abuse of power and authority.

Mr. LAUSCHE. What does the Senator say in reply to those who argue that if we wait, the land which we intend to use will become built up and therefore become more costly when we ultimately acquire it?

Mr. TOWER. What the Federal Government would be doing, or at least what the agency would be doing, would be to try to anticipate the future cost of land that should be dedicated for public purposes or for any sort of public facility. This is a decision that an agency cannot make. In a rapidly growing society, the needs change. The Government might buy land that would increase in value; but the acquisition of the land could conceivably retard the development of an area because the land so acquired would be taken out of the development process.

The argument generally advanced is that prior acquisition prevents land speculators from getting wind of the fact that the land will be increased in value as the result of a Federal project, thereby enabling the speculators to buy the land and make it more expensive.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. TOWER. Mr. President, I am under the impression that I am speaking on the time on my amendment rather

than on the bill. Therefore, I yield myself as much time as is necessary.

The answer to the Senator's question is simply that when speculation of that sort has taken place, the fact is generally taken into consideration in condemnation proceedings, and the fair value of the land is ordinarily awarded. I do not believe that in a condemnation proceeding a court would ever entertain any contention on the part of land speculators that they should be given some sort of inflated value for the land.

Mr. LAUSCHE. I thank the Senator from Texas.

Mr. TOWER. The primary thing is, if I might respond further to the Senator from Ohio, that a little more time is needed to study this proposal. It is something we should not jump into. There are implications involved in the advance acquisition of land for a purpose not specified, but which is to be projected into the future, that should first be carefully studied. We should study all the implications and ramifications.

I do not say that I am dead set against the idea of advance land acquisition. But to dump this proposal into our laps at this fairly late date is unreasonable.

Mr. LAUSCHE. My experience in the building of main highways was that the ultimate cost to the State became much greater as the land was developed with houses. I flew over the areas by plane, where the chart of the street layout indicated the line of the highway. It was open or wooded land. Four years later, when the State sought to acquire the land, it was built up, and the cost was greater.

Mr. TOWER. I understand what the Senator is saying. In effect, he is saying that we telegraph our punches by advance land acquisition.

Mr. LAUSCHE. If the land were bought merely for speculative purposes, houses would not be built on it. A speculator buys land and allows it to be vacant, hoping that he will receive a windfall.

There is merit in what the Senator says; but there is also merit in the argument that advance acquisition many times reduces the cost eventually.

Mr. TOWER. Conceivably that is true; but this is a problem that needs study. For example, we need to make a study of past experience, so far as acquisition by State governments and political subdivisions is concerned.

Mr. LAUSCHE. Would the study of advance acquisition apply to any other programs, or only to the community facilities that the Senator has in mind?

Mr. TOWER. At present it applies only to community facilities.

At present it applies only to the facilities. I believe that this matter of advance subdivisions discourages the initiation of bond projects in cities. In other words, it might discourage local initiative and responsibility in this field to the extent that the locality will not live up to its own responsibilities and see what it can do for itself.

My amendment would delete financial assistance to provide low-rent housing in farm areas. This subject needs more study.

I commend the junior Senator from New Jersey for the study which his subcommittee has made on the problems of farmworkers and migratory farmworkers, but so far as the provision on low-rent housing is concerned, this is a matter which requires considerable additional study before we can try to include it in a piece of legislation. Given more time, I believe that we can make a comprehensive study, and know what to do with the problem when we consider it in connection with the housing bill next year. So, it eliminates the provisions for an urban study. This, too, requires some study. Of course city planning is a field which is developing rapidly. I can see the need for additional training in that field for those supposed to ultimately have the responsibility for planning, but, it is a matter which we could carry over a few months more until we are ready to consider it in the housing bill. Therefore, that is what I propose to leave out of the bill. At this time, I believe that represents a much sounder approach toward housing legislation. I believe that a good deal of fat was accumulated in what was originally supposed to be a barebones bill. I believe that the extender approach would be a much wiser move this year, for a relatively simple piece of legislation, than to deal with the more complex aspect of it next year.

The provisions which I have noted are not really controversial. Some of them are measures on which we can agree in substance, but so far as the chairman is concerned, we are not in essential agreement—that is to say, we can recognize things that surely must be done, but we must have time to deliberate on procedures, on formats, and on approaches before we enact general housing legislation. Therefore, I urge adoption of my substitute measure.

Mr. LAUSCHE. Mr. President, will the Senator from Texas yield for a question?

Mr. TOWER. I am glad to yield to the Senator from Ohio.

Mr. LAUSCHE. Referring to title 7, rural housing, and especially the subject which I discussed with the Senator from Alabama [Mr. SPARKMAN], concerning the application of the Davis-Bacon Act to multiple unit rural housing, has the Senator given any consideration to the wisdom of extending the Davis-Bacon Act to that type of construction? Was there any discussion as to why the Davis-Bacon Act should apply to this housing bill, which is provided for the poor, who are unable to acquire housing?

Mr. TOWER. I should like to call on the distinguished Senator from Alabama, the chairman of the subcommittee [Mr. SPARKMAN], to address himself to the question asked by the Senator from Ohio; and then perhaps I could make some supplementary comment.

Mr. LAUSCHE. The reason I ask the question is that I understand since 1915, construction costs have risen 439 percent; retail prices 202 percent; wholesale prices 163 percent; and the consumer now pays between \$6,500 and \$7,500 for merchandise which he could get for \$2,500 in 1915. But the type of house

that would then have cost him \$2,500, now costs him \$13,500.

The point I am trying to make is that all other costs have gone up in less proportion than the cost of buying a house.

In 1915, one could buy a house of a certain type for \$2,500. It now costs \$13,500. That necessarily raises the question, How can the impoverished persons whom we are trying to help ever hope to acquire a house and lot if we continue to stimulate the disproportionate increase in costs which is entailed in the building of a house?

Mr. TOWER. It would be extremely difficult. I point out that actually the acceleration in the cost of the construction of housing has really occurred over the past few years. The Senator cited the figures of 1915. The relative figure today is 1940, which would show the original cost to be about \$3,000 then, as compared to roughly \$13,000 today. This gives an example of the dramatic increase in costs over a period of 25 years.

Mr. LAUSCHE. That would mean that from 1940 to 1963 the cost has gone up more than 400 percent. We know that the income of the lower level person has not gone up in that proportion; and yet we keep applying the Davis-Bacon Act, which is an artificial stimulant of a disproportionate increase in the cost of building.

Mr. TOWER. I should like to have the Senator from Alabama comment on that question, because I believe it is something to which he has given more thought and consideration than I have.

Mr. SPARKMAN. These increases have taken place over the years. This is multiple-family housing. The law is already written pertaining to multiple-family housing. All we did was to make this conform.

Mr. LAUSCHE. To make it consistent.

Mr. SPARKMAN. The Senator is correct, to make it consistent. That is all there is to it.

Mr. LAUSCHE. But that answer does not at all deal with the soundness of the principle, is that not correct?

Mr. SPARKMAN. The Senator is correct.

Mr. TOWER. This is a problem with which I am prepared to deal, when we proceed to take up the omnibus bill next year, in that we were trying merely to carry on in effect with this bill. I do not believe that it was untoward that we failed to take this into consideration at this time. The application of the Davis-Bacon Act is comparable and can be applied to the situation which is worthy of consideration next year, and is something we should deliberate on.

Mr. LAUSCHE. As a former Governor of Ohio, I am familiar with the problem of building a school in a farm area. In calculating the cost, it is learned that Ohio law fixes the collective bargaining rate as the rate of pay which would have to apply to a school to be built in Millersburg, say; in other words, guided by the rate of pay fixed in Akron. The fact is clearly demonstrated that economic costs in Millersburg are completely different from the economic costs in Akron.

So we have here the paradox of helping a rural impoverished person to live in

a public housing project, and yet we pump up the rural housing costs by applying the construction rates which are applicable in a large city probably 50 miles away. Some time, we shall have to meet this problem headon. I do not know that we can do it in this bill.

I understand that the Senator from Alabama [Mr. SPARKMAN], has applied the general principle which is applicable in all multiple housing units.

Mr. SPARKMAN. The Senator brought it forward; yes.

Mr. President, if the Senator from Texas has completed his statement on the substitute, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 10 minutes.

Mr. SPARKMAN. Mr. President, it is true, as the Senator has stated, that his proposal contains the great bulk of what the bill contains. However, there are a few matters that are omitted, and a few matters that are quite important. The Senator, is particularly in opposition to the various advance acquisitions provision of the bill.

Mr. TOWER. Mr. President, will the Senator yield for the purpose of my asking for the yeas and nays?

Mr. SPARKMAN. I yield for that purpose.

Mr. TOWER. Mr. President, I ask for the yeas and nays on my amendment. The yeas and nays were ordered.

Mr. SPARKMAN. Mr. President, the argument was made that this provision related to the rapid advance in prices once it is known that property is to be acquired. That is exactly why this section is proposed. It is to head off that increase.

If a city, municipality, or a governmental body decides it is going to use a certain site, or wants a certain site for public works, under the plan in this bill it can apply for a loan with which to acquire the site before word gets out that the land is to be taken. That is when the prices go up. That is when people buy land or take options, counting on making a fortune out of it. That is exactly what this amendment is intended to head off.

There are other matters in the bill that are left out. For example, there is the question of the relocation payments. I agree with the statement that the Senator from Texas [Mr. TOWER] made, that this is a matter that requires further thought and consideration.

The Senator will recall that I made that point in the committee and in the subcommittee. I even suggested that in view of the fact that the House committee is making a report on the general subject of the acquisition of land by governmental agencies, and what ought to be done, we might postpone it until next year in order to obtain a report of that committee. The provision was finally worked out that we would provide for these additional relocation payments on a wholly temporary basis, in contemplation of that report being made.

After all, the greatest complaint that we have had from urban renewal, from road building, and from governmental action generally, in taking land on which

there are homes, has been the question of whether adequate provision has been made for people who have lost their homes and lost their businesses.

For several years we have been trying to solve this problem. I think we have been working it out rather well. This bill has a provision in it which is good in that respect.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CLARK. The Senator knows that it has been my privilege to serve as a member of the Subcommittee on Housing, over which he has presided with such distinction since 1957.

The first tough problem we met with in beginning to draft the Housing Act of that year was the question of relocation. It has plagued us ever since.

I shared to some extent the view of the Senator from Texas [Mr. TOWER] that our record on relocation has been quite inadequate, and that much hardship has resulted from the fact that people who have been displaced by urban renewal projects were not rehoused in safe and sanitary dwellings which they could afford to occupy. Therefore, I concurred fully with the Senator from Alabama [Mr. SPARKMAN] in the view that the problem needs further study. We would be lacking an adequate sense of compassion, indeed, if we did not do something in the bill to improve the lot of those unfortunate people, so many of whom have suffered during the years as a result of being relocated because of an urban renewal project, and not being properly compensated with safe and sanitary housing.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. TOWER. Mr. President, the problem was not entirely one of money. But the problem of relocation is one of finding adequate sanitary housing. Urban renewal projects very often will wipe out housing, and there will not be as many housing units to replace those that were wiped out. Therefore, we encounter the problem of where to locate the people, and where the space will come from. It is a multifarious question that we shall have to deal with, with greater depth and deliberation than we have dealt with it in this particular provision.

Mr. SPARKMAN. I agree with the Senator completely. I think that is one advantage that we can expect to get from a report that is to be made by the House Committee on Public Works that is studying the problem.

The Senator will recall that back in 1961 I introduced a bill that called for the establishment of a commission to study the whole subject of the acquisition of land by the Federal Government, and what ought to be done for the people who had been affected.

Finally the Public Works Committee of the House followed my suggestion. I have a letter from the chairman of that committee, telling me that he had set it up in keeping with my recommendations. We have been looking forward with a great deal of interest to the final report.

The hearings have been printed, and I understand that the report is to be printed by September 30. However, Congress will not be in session at that time. We shall have gone home; and there will be no opportunity to act on this problem until next year.

For that reason, we provide for stop-gap relief in the pending bill, looking toward a better solution of this problem after that committee has made its report, when we can expect a uniform settlement throughout all the Government taking. For that reason, I think it is important that we retain the stopgap provisions that have been placed in the bill.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. JAVITS. I have listened to the debate with interest. I hope to have a little time to discuss the provision of communication, which I helped to draft. About the question of a "barebones" bill, or the question of a bill that went further than that, is it not a fact that even if we take the opinion of the distinguished Senator from Texas—and I understand fully the reasons for doing what he is doing; it is all a question of degree—there are a number of things that are not absolutely essential to a "barebones" bill? There are a number of things in our bill that are not absolutely essential to the bill. And yet we are trying to do the best that we can within the confines of the general consensus on the subject.

I think the general consensus is a more accurate description of what we were trying to do on housing, even on the bare bones subject. When the chairman found any material objection, it was felt that the proposal should go over. I ran afoul of that attitude. So did other members of the committee. The chairman of the committee felt that it could feasibly be done.

Mr. TOWER. I point out that some measures met with general favor in the committee but were carried over. Even though we failed to agree on them in substance, we felt they should be more extensive in substance. We felt that we should not abandon the idea of extending the existing program until we had the opportunity to consider these proposals in a more liberal atmosphere, with more time in which to deliberate.

The PRESIDING OFFICER. The time of the Senator from Alabama [Mr. SPARKMAN] has expired.

Mr. TOWER. Mr. President, I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 additional minute.

Mr. TOWER. Mr. President, I agree in substance on the law. There are things that I have left out of the substitute. I felt that we should have a little more time in which to consider the proposals.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. JAVITS. Is it not a fact that when we had the consensus, we needed not only the consensus of the committee

but the consensus of the Senate. That does not mean there was any opposition.

When I use that word, that is what I have in mind. I have in mind that the chairman, the Senator from Alabama [Mr. SPARKMAN], is trying his best to communicate in the bill the consensus of the committee and the consensus of the Senate. Where he felt that was probably so, he felt we would do all we could at this time. Where he felt it probably was not so, we would pass it.

Mr. TOWER. I concur. I raise my voice in the highest praise of the distinguished Senator from Alabama for the spirit in which he has approached the preparation of the bill. I am prepared to yield back the remainder of my time.

Mr. SPARKMAN. I wish to yield to the Senator from Florida for a brief time.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. SPARKMAN. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Alabama has 20 minutes remaining.

Mr. CLARK. I hope that the Senator will reserve 3 minutes to yield to me.

Mr. HOLLAND. Mr. President, since the Senator from Pennsylvania is a member of the committee, I would be glad to wait until he has concluded.

Mr. CLARK. I thank the Senator. I hope he will proceed.

The PRESIDING OFFICER. How much time does the Senator from Alabama yield to the Senator from Florida?

Mr. SPARKMAN. Mr. President, I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. Mr. President, I know that title 4 of this "barebones" bill deals with the subject of community facilities, and includes substantial changes and additions to the community facilities title of the existing law. I think this is a good occasion to clarify certain questions that relate to the intent and purposes of the public facilities loan provisions of the Housing Act.

As I understand, section 202(a) (1) of the act, among other matters, provides for the CFA to make loans to State instrumentalities and that section 202(b) (4) sets a population limitation of 50,000 for the size of an eligible instrumentality to borrow under the act. It is my understanding that in determining the population in such situations it was Congress' intention that only the population, if any, residing within the specific boundaries of the instrumentality would be considered in determining loan eligibility. Is that correct?

Mr. SPARKMAN. Yes. It was our intention that only the population residing within the boundaries of an instrumentality should be considered in determining eligibility.

Mr. HOLLAND. Then it was not the intention of Congress that the population of surrounding or service areas outside or adjoining the boundaries of the instrumentality should be included in such a determination.

Mr. SPARKMAN. Yes, that is correct.

Mr. HOLLAND. That Congress intention is clear on this point, I would like to mention a small municipality of, say 35,000 population surrounded by a city of a million. The small municipality can borrow under the act, based solely on the population within its own boundaries, regardless of the population of its neighbor. Is that correct?

Mr. SPARKMAN. Yes, that is correct. The same considerations apply whether it is a municipality or a State instrumentality.

Mr. HOLLAND. I would like to know if, in a situation where a State legislature by special act establishes an authority with special jurisdiction over an unincorporated area which has no residents within its boundaries, is such an authority eligible to borrow under the act?

Mr. SPARKMAN. Yes; if there is no population within the instrumentality, it comes within the population limitations and Congress intended such an instrumentality to be eligible under the act.

Mr. HOLLAND. I thank the Senator. I would like now to turn to the authority of the CFA in section 202(a) and I quote: "To finance specific projects for public works or facilities." There are a number of projects such as sewer systems, sanitation plants, water systems, and so forth, that are readily recognized as public works, but as I understand it Congress did not intend that these were to be the only types of projects that come under the broad category of public works. It is my belief that Congress intended this term to include all types of public facilities that serve a public purpose and are owned or operated by an eligible public body. I would like to know whether it is the Senator's understanding that exhibition halls and pavilions built by a State instrumentality to house exhibits in a permanent international exhibition come within the definition of public works?

Mr. SPARKMAN. Yes. It was the intention of our committee and the Senate in enacting the public facility loan section that the agency administering it should have broad authority to finance publicly owned facilities serving a public purpose. Within this framework I understand the Agency has made loans to finance public buildings like city halls, court houses, recreational halls, and the like, and I see no reason why the type of facility to which you refer would not qualify as eligible for financial assistance under this program. You understand, of course, that each application must be considered on its merits as to credit standing of the sponsors, the feasibility of the project, and similar matters.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. Mr. President, I yield 2 additional minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Mr. HOLLAND. I thank the Senator. The Senator has been most helpful. If

I may further impose on his generosity, I would like to inquire if the Senator has some knowledge and understanding of our Inter-American Cultural and Trade Center located near Miami, which was established by special act of the Florida Legislature. This project known as Interama is applying to CFA for a loan to construct exhibition halls and pavilions in its international area to house exhibits of the participating nations of the Western Hemisphere. This loan would be repaid out of gate receipts and the project has many national and international benefits. Is it the Senator's opinion that Congress intended that such a project meets the eligibility requirements of the loan provisions of the Act, reserving, of course, to the administrator the power to pass upon questions of credit and the soundness of the objectives and the like?

Mr. SPARKMAN. I am in a general way familiar with Interama. The Senator may be interested to know that at my request the staff director of my Housing Subcommittee checked with the General Counsel's Office of the HHFA to determine whether the pending bill needed clarifying language in the case of Interama's loan application. We received a memorandum from HHFA to the effect that the language of the pending bill is adequate to permit Interama to borrow under the act. It appears that Interama meets the population test and the question of being a public works. In the light of these facts, I believe Congress intended that such a project is eligible to borrow under section 202.

Mr. HOLLAND. Mr. President, I am very much obligated to my distinguished friend for his courtesy.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield 2 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, the substitute amendment of the Senator from Texas, as I understand, would eliminate section 806 of the bill, which would create fellowships for city planning and urban studies.

I speak in support of section 806, and hope very much that it will be retained in the bill and that the substitute will be defeated. I believe it was first in 1957—it may have been 1958—that the Senator from Alabama [Mr. SPARKMAN], the chairman of the Subcommittee on Housing, and I attempted for the first time to get an authorization for fellowships in city planning and urban study. On one or two occasions we were able to bring that provision to the floor of the Senate, but we were never able to have it incorporated into the bill. Objection was raised. I remember that the former distinguished Senator from Connecticut, Prescott Bush, a fine Republican Senator, thought that fellowships for city planning should go into an education bill and not into a housing bill.

About that time I was appointed to the Committee on Labor and Public Welfare. I carried the torch for city planning to that committee. I was told by my amiable chairman and other members of the committee that there was no

place in the National Defense Education Act for fellowships for city planners, and that I would have to go back to the Housing Committee to have it put into a bill reported by that committee.

So the years rolled by. The end has now come, and we shall finally be able to get a start on a badly needed program to bring assistance in an area in which an important skill is in critical short supply.

In the July 25 issue of *Business Week* there is an interesting article entitled "What It Takes To Be a City Planner." I ask unanimous consent that a copy of that article be printed at this point in the *RECORD*.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

WHAT IT TAKES TO BE A CITY PLANNER

In terms of manpower, city planning today stands where engineering did a few years ago: Demand far exceeds supply. So brisk is the market for planners that starting salaries for last year's graduates averaged \$7,369 for those with master's degrees, \$8,850 for Ph. D.'s—with a top of about \$15,000.

Such salaries, plus the exciting challenge presented by rapid urbanization, attract increasing numbers to the planning schools. Yet their graduates come nowhere near filling the available jobs. Last year U.S. planning schools awarded 200 master's degrees, 5 Ph. D.'s, 76 undergraduate degrees—but demand for trained planners exceeded 500 jobs. This year, with less than 400 degrees in all awarded, demand is still higher.

The U.S. job competition is even livelier, since more than a fifth of full-time graduate planning students are noncitizens.

POSTWAR RISE

The growth of education for city planning, like planning itself, is largely a postwar phenomenon. More than two-thirds of the 2,272 planning degrees granted since 1931 were awarded in the past 6 years. There are 31 U.S. universities now offering programs in planning—but 24 entered the field after 1945, 8 in 1958 or later.

Harvard was the pioneer. It offered the first planning degree in 1927 and set up its graduate program 4 years later. Though it boasts 17 of the 40 doctorates in the profession, it has been outstripped in overall numbers by newcomers. The University of Pennsylvania, starting 13 years ago, heads the list with 38 graduate students to Harvard's 55.

SOCIAL TREND

City planning education started with design and engineering, but has moved more and more toward social studies. A sizable number of architects and engineers still take it up, but graduate students come increasingly from liberal arts backgrounds—economics, political science, sociology. This year more than half the planning students at the University of California held undergraduate degrees in social studies.

Prof. John W. Dyckman, chairman of Cali-

fornia's Center for Planning and Development Research, notes that this reflects changes in the profession; a planner today gets involved in poverty programs, integration, problems of the aged.

Another shift is in the age of students, says Prof. Gerald Carrothers, acting head of the University of Pennsylvania's Department of City Planning. Ten years ago graduate students averaged in the midthirties. Now more and more come direct from college.

FORTY-THREE YEARS' WORK

What does a planner need to learn? "Ideally," says William Nash, chairman of Harvard's Department of City and Regional Planning, "a potential planner should have a strong liberal arts background with good math." Harvard has returned to a 3-year curriculum after trying the 2-year course most schools offer. "Two years," insists Nash, "is not enough to teach architects social science, and vice versa."

"Trouble is," quips Prof. John T. Howard, head of MIT's Department of City and Regional Planning, "that if a planner had everything he needed to practice, he would need 43 years of graduate work."

BUSINESS AID

Graduate planning fellowships are relatively few—about 23 percent of graduate enrollment, the American Society of Planning Officials found in 1962–63, compared to 48 percent in engineering.

So far, only a handful of companies offer fellowships. The Sears, Roebuck Foundation program, now in its eighth year, is most extensive, has made 55 grants costing, through September 1963, about \$250,000. The Pittsburgh Plate Glass Foundation has given three 2-year fellowships each year since 1962. The Lasker Fellowship Trust has given 10 scholarships, the State of Tennessee 7. The organization called Action, Inc., or the National Council for Good Cities, is working to stimulate more business support.

Last week Action announced a \$1 million grant by the Richard King Mellon Charitable Trusts, to be divided among 10 graduate schools.

Mr. CLARK. I point out the statement that:

Yet their graduates come nowhere near filling the available jobs. Last year U.S. planning schools awarded 200 master's degrees, 5 Ph. D.'s, 76 undergraduate degrees—but demand for trained planners exceeded 500 jobs. This year, with less than 400 degrees in all awarded, demand is still higher.

Continuing to read from the article:

More than two-thirds of the 2,272 planning degrees granted since 1931—

Which is when the program began—were awarded in the past 6 years. There are 31 U.S. universities now offering programs in planning.

Many of the students are foreign students who do not stay in this country at all but return to the country of their origin. It is perfectly clear that not only the demand for city planners is very high indeed—far greater than the

supply—but also, more than that, the career which is open to city planners is a rewarding one both in terms of compensation and in the great contribution which can be made to the civilization of our time, including the rebuilding of our cities.

I hope very much that section 806 will be retained in the bill.

I yield back the remainder of my time, if any.

Mr. TOWER. I yield back the remainder of my time.

Mr. LAUSCHE. Mr. President, will the Senator yield for a few questions?

The PRESIDING OFFICER. Does the Senator yield time?

Mr. SPARKMAN. Mr. President, how much time have I left?

The PRESIDING OFFICER. The Senator has 7 minutes remaining on the amendment.

Mr. SPARKMAN. I yield myself 3 minutes.

Mr. LAUSCHE. The Senator from Virginia [Mr. ROBERTSON] stated that the original recommendation was for an authorization of \$9 billion; that the bill pending before the Senate has reduced that amount to \$2.5 billion, and that in that \$2.5 billion is provided \$1.4 billion for public housing.

I have looked through the report to ascertain just how this \$2.5 billion is made up. Is it in the report?

Mr. SPARKMAN. On page 58 of the report a table is set out showing how that figure is made up.

In arriving at the large figure, the Senator from Virginia has multiplied the cost of each unit of public housing by the total number of units and included that in the cost over a period of 40 years. That is an unusual way of doing it.

The Government does not pay the cost of the units. The units are paid for under a plan whereby a city authority issues 40-year bonds, which are amortized from rent payments and from subsidies. What the Government does is to issue a guarantee to make up the difference between what the tenants are able to pay in rent under the regular formula and the necessary amounts for meeting the cost of operating the project and paying the amortization costs on the bonded indebtedness.

Mr. LAUSCHE. The table on page 58 of the report shows a breakdown as it has been assigned to separate items.

Mr. SPARKMAN. Yes.

Mr. LAUSCHE. I ask unanimous consent that it be printed in the *RECORD* at this point.

There being no objection, the table was ordered to be printed in the *RECORD*, as follows:

Summary of program authorizations and budgetary impact through Oct. 1, 1965

[In millions]

| Program | Authorizations | | Budgetary Impact ¹ | |
|---|-------------------|---------------------|-------------------------------|----------------------------------|
| | Type ¹ | Amount | New obligational authority | Net expenditures or receipts (-) |
| Low income housing programs: | | | | |
| Low income housing program..... | CA | \$36.0 | None | None |
| Relocation assistance: | | | | |
| Families and elderly individuals..... | CA | ² (.2) | None | None |
| Businesses..... | CA | ³ (.3) | \$0.1 | \$0.1 |
| Additional subsidy for displacees moving into public housing..... | CA | ³ (.6) | .3 | .3 |
| Low income housing demonstrations..... | CA | 5.0 | 3.0 | .3 |
| Urban renewal programs: | | | | |
| Title I grant authorization..... | CA | 850.0 | 850.0 | 4.0 |
| Demonstration grant limitation..... | CA | ³ (5.0) | ³ (5.0) | .1 |
| Relocation assistance: | | | | |
| Families and elderly individuals..... | CA | ³ (26.0) | ³ (26.0) | 5.0 |
| Businesses..... | CA | ³ (58.0) | ³ (58.0) | 15.0 |
| Urban planning assistance..... | AA | 30.0 | 30.0 | 2.0 |
| Community development programs: | | | | |
| Public works planning advances..... | AA | 20.0 | 20.0 | 3.0 |
| Open space land grants..... | CA | 25.0 | 25.0 | None |
| Loans for advance acquisition of land for public improvement..... | BA | (⁴) | None | 5.0 |
| Special housing programs: | | | | |
| Direct loans for housing for the elderly..... | AA | 75.0 | 50.0 | 2.0 |
| Nonprofit nursing homes..... | IA | None | (⁵) | (⁵) |
| Fellowships in city planning and urban studies..... | AA | 1.5 | .8 | .8 |
| Sale of participation certificates in FNMA mortgage pool..... | (⁶) | (⁶) | None | -200.0 |
| Subtotal, HHFA..... | | 1,042.5 | 979.2 | -162.4 |
| Farm housing programs: | | | | |
| Direct loan programs (sec. 511)..... | BA | 150.0 | 150.0 | 145.0 |
| Grants for low rent housing for domestic farm labor..... | AA | 10.0 | 10.0 | 8.0 |
| Sale of participation certificates in VA mortgage pool..... | (⁶) | (⁶) | None | -100.0 |
| Subtotal, other agencies..... | | 160.0 | 160.0 | 53.0 |
| Grand total..... | | 1,202.5 | 1,139.2 | -109.4 |

¹ Type of authorization:

AA—Authorization for appropriations.
BA—Borrowing authorization.
CA—Contract authorization.
IA—Insurance authorization.

² New obligational authority and net budget expenditures estimates are confined to period between date of enactment and Oct. 1, 1965, which is the expiration date specified for many of the program authorizations in the proposed act.

³ Parentheses indicate nonadd items funded from total urban renewal title I grant authorization or from total public housing annual contributions authorization.

⁴ Program would be funded from existing authorization for public facility loans.

⁵ Not applicable.

Mr. SPARKMAN. Mr. President, the Senator from West Virginia [Mr. RANDOLPH] wishes to submit a unanimous-consent request to consider a bill the House has acted on. I ask unanimous consent that he may proceed to do that, which I understand will take only a minute or two, without the time being charged under the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION OF APPROPRIATIONS FOR THE CONSTRUCTION OF CERTAIN HIGHWAYS

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House on H.R. 10503.

There being no objection, the Presiding Officer laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 10503, which was read as follows:

Resolved, That the House concur in the amendment of the Senate numbered 3 to the bill (H.R. 10503) entitled "An Act to authorize appropriations for the fiscal years 1966 and 1967 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes".

Resolved, That the House concur in the amendment of the Senate numbered 1 to

aforesaid bill, with an amendment, as follows:

Strike out "\$9,000,000", and insert in lieu thereof "\$7,000,000".

Resolved, That the House concur in the amendment of the Senate numbered 2 to aforesaid bill, with an amendment, as follows:

Strike out "\$9,000,000", and insert in lieu thereof "\$7,000,000".

Mr. RANDOLPH. Mr. President, I move that the Senate concur in the House amendments to the Senate amendments.

Mr. JAVITS. Mr. President, may we know what we are doing and what it is all about?

Mr. RANDOLPH. Mr. President, the measure before the Senate is the authorization bill for the highway legislation. The Senate passed the measure with two amendments, which differed from the House bill. In the House bill the amount for authorization for public highways within forests was fixed at \$3 million a year for a period of 2 years. The Senate passed the bill with a \$9 million a year authorization for a period of 2 years. The House has now agreed to a figure of \$7 million a year for 2 years. I, of course, as chairman of the Subcommittee on Public Highways, cleared this matter with the Senator from Kentucky [Mr. COOPER], who is the ranking minority member of the Public Works Committee. It is agreeable to him.

Mr. TOWER. Mr. President, the Senator has answered the question I was about to ask. I merely wanted to know if it had been cleared.

Mr. JAVITS. Mr. President, did the Senator say \$7 million or \$7 billion?

Mr. RANDOLPH. The amount is \$7 million.

This measure, which was originally passed by the House of Representatives on June 3, 1964, was referred to the Committee on Public Works, from which it was reported on July 1, 1964, with three amendments. These amendments called for increasing the public lands highways authorizations from \$3 to \$9 million for each of the fiscal years of 1966 and 1967, and allowing for expenditure of forest access roads funds on the national grasslands and other lands under the jurisdiction of the U.S. Forest Service.

The increase in the authorization for public lands highways from the \$3 million requested by the administration and passed by the House, to the figure of \$9 million which was authorized for fiscal 1965, was made only after careful deliberation by the committee and in the light of the \$75 million in applications from the States.

The Senate adopted the committee amendments when it passed H.R. 10503 on July 2, 1964, and referred the measure back to the House. In that body, at the insistence of the minority leadership of the Committee on Public Works, the public lands highways authorizations were reduced from the Senate figure of \$9 million for each of the fiscal years 1966 and 1967 to \$7 million for each of those years. The House concurred in the other Senate amendment regarding the authority to use forest access roads money on national grasslands.

Mr. President, I need hardly emphasize that the cut of \$2 million a year in public lands highway authorizations is a severe disappointment to Members of this body, especially those from the Western States, who are interested in the development of our public lands. This figure is insufficient to meet the mounting demands of the States for assistance in this category.

However, I believe that this is the best compromise figure that can be achieved, especially in view of the lateness of the session and the need of the Department of Commerce to make the apportionments to the States for the Federal-aid ABC system. Therefore, rather than further delay the apportionments from authorizations of more than \$2 billion, I move that the Senate concur in the House amendments to the Senate amendments.

The distinguished chairman of the committee [Mr. McNAMARA] and the co-operative ranking minority member of the committee [Mr. COOPER], as well as all the members of the Committee on Public Works, have been most helpful in working forward a constructive program to carry forward an adequate highway system.

The PRESIDING OFFICER. The question is on the motion of the Senator from West Virginia that the Senate con-

cur in the House amendments to the Senate amendments.

The motion was agreed to.

HOUSING ACT OF 1964

The Senate resumed the consideration of the bill (S. 3049) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

Mr. JAVITS. Mr. President, will the Senator yield me 3 minutes?

Mr. SPARKMAN. Yes.

Mr. JAVITS. I believe the bill which has been brought in by the Senator from Alabama [Mr. SPARKMAN] and the majority of the committee represents a careful balance between what everybody, including myself, wanted and what was possible and attainable within the broad consensus of opinion in the Congress. At the same time it does not run afoul of the decision that a major overhaul of housing legislation should come next year.

My colleague, the Senator from Texas, was specific in pointing out the things with which he dealt in his substitute and which were omitted from his substitute because it was felt it was inconsistent with the concept of a "barebones" bill. I should like to point out a number of things which the committee bill did not do and which were passed over precisely because, as the Senator from Alabama advised, quite properly, the bill had to be held to those areas in which there was substantial agreement. For example, with respect to urban renewal, on which the Senator from Pennsylvania [Mr. CLARK], a former mayor, has spoken, it is desirable to have a program on which communities could depend for a very extended time for their planning. But in the committee bill the amount of money available for that purpose has been sharply curtailed because the view of the Senator from Alabama [Mr. SPARKMAN] prevailed that we had better not go into that field, and that we will get into a longer range consideration of urban renewal later.

In another respect, with relation to public housing, a temporary expedient was accepted rather than a comprehensive plan under which communities would be given a reasonable opportunity to plan.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. CLARK. I would like to support the Senator in what he has said. This may have seemed like a barebones bill with flesh to the Senator from Texas, but to me and to other Senators, it has no flesh at all. Those of us who come from urban areas know that, so far as public housing and other areas are concerned, we are not doing very well toward carrying out the hope of Robert Taft that we must provide a safe and sanitary home for every family. We recognize the political necessities cited by the Senator from Alabama, that this is not the time to get into a hassle over a public housing bill, but we are reluctant to accept a bill that goes only as far as this bill does.

Mr. TOWER. Mr. President, I yield myself 1 minute.

I point out that some of the things I proposed were also not acted on. I agree that a great deal has been left out. It may not be a bare-bones bill, but it is a very skinny one, indeed.

I merely felt that we should carry this proposal over until the next time. There are a great many matters that we should deal with. I merely ask for more deliberation.

I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I deeply feel—and there are others who feel as I do—that we have not done as much as we should have done for middle-income housing. Since 1961 we have been trying out a program by which a lower interest rate than is obtainable for FHA mortgages is used to encourage middle-income housing. The chairman of the committee is frank enough to say that if that did not work he would be inclined to go along with the New York plan, which calls for the pooling of housing mortgages and their sale by a governmental authority, but without any guarantee, necessarily.

I advanced this proposal, because it has proved its worth in New York, where we have put up a billion dollars' worth of housing without involving the credit of the State government. The chairman said he would much prefer not to deal with it at this time, and it was laid aside, notwithstanding that this is one of the most urgent problems in the country.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. SPARKMAN. I yield 1 more minute to the Senator from New York.

Mr. JAVITS. Finally, perhaps where the shoe pinched the hardest—and this goes again to the Senator from Pennsylvania [Mr. CLARK]—is in housing for the elderly. If anything cries for attention it is the need to do something really appreciable in housing for the elderly. But when we look at this bill, there is almost nothing in the bill, except for a few meager provisions on this subject. Yet we have to stand aside this year. If that does not define the bill as a barebones bill, I do not know what does.

Mr. CLARK. The Special Committee on the Aging, of which I was the chairman for 2 years, submitted two bills, which were referred to the Subcommittee on Housing. One a comprehensive bill, was passed over, because we wanted a barebones bill.

Mr. JAVITS. I hope the Senate will turn down the substitute for the reasons that I have stated.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Texas [Mr. TOWER], in the nature of a substitute.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Oklahoma [Mr.

EDMONDSON], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Utah [Mr. MOSS], the Senator from Georgia [Mr. TALMADGE], and the Senator from Tennessee [Mr. WALTERS] are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Massachusetts [Mr. KENNEDY] are absent because of illness.

I further announce that the Senator from Rhode Island [Mr. PASTORE], the Senator from Maine [Mr. MUSKIE], and the Senator from Texas [Mr. YARBOROUGH] are necessarily absent.

I further announce that, if present and voting, the Senator from Georgia [Mr. TALMADGE] and the Senator from Tennessee [Mr. WALTERS] would each vote "nay."

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Utah [Mr. MOSS], the Senator from Rhode Island [Mr. PASTORE], the Senator from Texas [Mr. YARBOROUGH], the Senator from Oklahoma [Mr. EDMONDSON], and the Senator Nevada [Mr. CANNON] would each vote "nay."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Iowa [Mr. MILLER]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Massachusetts would vote "nay."

Mr. KUCHEL. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from New Mexico [Mr. MECHEM], the Senator from Iowa [Mr. MILLER], and the Senator from Vermont [Mr. PROUTY] are necessarily absent.

On this vote, the Senator from Iowa [Mr. MILLER] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Iowa would vote "yea," and the Senator from Massachusetts would vote "nay."

The result was announced—yeas 19, nays 64, as follows:

[No. 508 Leg.]

YEAS—19

| | | |
|-----------|---------------|----------------|
| Allott | Hickenlooper | Russell |
| Bennett | Hruska | Simpson |
| Byrd, Va. | Jordan, Idaho | Thurmond |
| Curtis | Morton | Tower |
| Dirksen | Mundt | Williams, Del. |
| Dominick | Pearson | |
| Eastland | Robertson | |

NAYS—64

| | | |
|--------------|--------------|----------------|
| Aiken | Hart | McNamara |
| Bartlett | Hayden | Metcalf |
| Bayh | Hill | Monroney |
| Beall | Holland | Morse |
| Bible | Humphrey | Nelson |
| Boggs | Inouye | Neuberger |
| Brewster | Jackson | Pell |
| Burdick | Javits | Proxmire |
| Byrd, W. Va. | Johnston | Randolph |
| Carlson | Jordan, N.C. | Ribicoff |
| Case | Keating | Saltonstall |
| Church | Kuchel | Scott |
| Clark | Lausche | Smathers |
| Cooper | Long, Mo. | Smith |
| Cotton | Long, La. | Sparkman |
| Dodd | Magnuson | Stennis |
| Douglas | Mansfield | Symington |
| Ellender | McCarthy | Williams, N.J. |
| Ervin | McClellan | Young, N. Dak. |
| Fong | McGee | Young, Ohio |
| Fulbright | McGovern | |
| Gore | McIntyre | |

NOT VOTING—16

| | | |
|-----------|---------|------------|
| Anderson | Kennedy | Prouty |
| Cannon | Mechem | Talmadge |
| Edmondson | Miller | Walters |
| Goldwater | Moss | Yarborough |
| Gruening | Muskie | |
| Hartke | Pastore | |

So Mr. TOWER's amendment in the nature of a substitute was rejected.

Mr. JAVITS. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I send to the desk an amendment affecting the provision relating to fellowships and professorships for the graduate training of professional city planning and urban and housing technicians and specialists. I ask unanimous consent that the amendment not be read, but that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 75, beginning with line 19, strike out all through line 11, on page 76, and insert in lieu thereof the following:

"Sec. 806. (a) There is hereby authorized to be appropriated not to exceed \$500,000 annually, for a three-year period commencing on July 1, 1964, to be used by the Housing and Home Finance Administrator for the purpose of providing fellowships for the graduate training of professional city planning and urban and housing technicians and specialists as herein provided. Persons shall be selected for such fellowships solely on the basis of ability and upon the recommendation of the Urban Studies Fellowship Advisory Board established pursuant to subsection (b). Fellowships shall be solely for training in public and private nonprofit institutions of higher education having programs of graduate study in the field of city planning or in related fields (including architecture, civil engineering, economics, municipal finance, public administration, and sociology), which programs are oriented to training for careers in city and regional planning, housing, urban renewal, and community development.

"(b) There is hereby established the Urban Studies Fellowship Advisor Board (hereinafter referred to as the "Board"), which shall consist of nine members to be appointed by the Housing and Home Finance Administrator as follows: Three from public institutions of higher learning, and three from private nonprofit institutions of higher education, who are the heads of departments which provide academic courses appropriately related to the fields referred to in subsection (a), and three from national organizations which are directly concerned with problems relating to urban, regional, and community development. The Board shall meet upon the request of the Administrator and shall make recommendations to him with respect to persons to be selected for fellowships under this section. Members of the Board shall be entitled to receive transportation expenses and a per diem in lieu of subsistence as authorized for members of advisory committees created pursuant to section 601 of the Housing Act of 1949."

Mr. TOWER. Mr. President, section 806 would authorize the appropriation, over a 3-year period, of \$1,500,000 to provide fellowships for the graduate training of professional city planning and

urban and housing technicians and specialists.

My amendment would not change that provision; it merely provides a different method of selection. The present provision of the bill is that the Housing and Home Finance Administrator shall select candidates or applicants for the scholarships. My amendment would change that arrangement and provide that the selection shall be by an advisory board consisting of nine members to be appointed by the Housing and Home Finance Administrator.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. SPARKMAN. The amendment establishing this program was offered by the Senator from Pennsylvania [Mr. CLARK] in committee. The amendment outlined by the Senator from Texas seems to perfect the program—it sets up arrangements that are perhaps more effective and, I believe, quite satisfactory. So far as I am concerned, I am willing to accept the amendment.

Mr. TOWER. Mr. President, it is my understanding that the Senator from Pennsylvania and the Senator from Alabama are prepared to accept my amendment. I yield back the remainder of my time.

Mr. SPARKMAN. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. Without objection, the amendment is agreed to.

Mr. TOWER. Mr. President, I send an amendment to the desk. I ask unanimous consent that the amendment not be read but that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 30, line 23, after "unless" insert "(A)".

On page 31, line 4, beginning with the period strike out all through line 6, and insert in lieu thereof the following: ", and (B) the financial assistance applied for is not otherwise available on reasonable terms and conditions."

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. TOWER. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 minute.

Mr. TOWER. This is addressed to the advance acquisition section of the bill. It adds a proviso that funds will be made available if such credit is not otherwise available, on reasonable terms and conditions. It simply lays down additional guidelines for the administrator. I do not believe it ties his hands in any way.

Mr. SPARKMAN. Mr. President, the language in the amendment is identical to a proviso in the existing public facility loan program. We are willing to accept the amendment.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. SPARKMAN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SPARKMAN. Mr. President, I have an amendment I wish to propose which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Alabama will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 52, it is proposed to add the following after line 24:

(3) Section 221(d)(3) of such Act is amended by inserting before the colon at the end of the first proviso in (iii):

"Provided further, That in the case of any mortgagor other than a nonprofit corporation, cooperative, public body, or an investor-sponsor meeting the special requirements of this section, the amount of the mortgage shall in no event exceed 90 per centum of the amount otherwise authorized under this section".

Mr. SPARKMAN. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 2 minutes.

Mr. SPARKMAN. Mr. President, this amendment would restrict all mortgages under section 221(d)(3) to 90 percent of the mortgage amount otherwise applicable, except in the case of nonprofit corporations, cooperatives, public bodies, and investor-sponsors dealt with specifically under the provisions of section 221(d)(3).

The need for excluding investor-sponsors in this manner is because the investor-sponsor will sell to a cooperative or nonprofit corporation who will have a hundred-percent mortgage. In order to avoid the necessity of two mortgages in each case, the FHA permits a hundred-percent mortgage but requires 10 percent to be held back until the investor-sponsor has sold to the nonprofit corporation or cooperative.

There was some misunderstanding in the committee when this matter was brought up. There was some misunderstanding in the committee with reference to the 100-percent-loan-to-value ratio in these 221(d)(3) programs. The point was made that such mortgage, by statute, have a 90-percent-loan-to-value ratio. The statute does not so provide. To the contrary, regulations issued by the Federal Housing Commissioner provide for 90 percent. My amendment merely transfers regulation into law.

Mr. TOWER. Mr. President, I believe that the amendment of the Senator from Alabama is a commendable amendment and I shall support it.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that a statement I have prepared on this subject be inserted in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The proposal for expanding the section 221(d)(3) below market interest rate multi-

family program would result in permitting the FHA to approve individuals and partnerships as mortgagors. If these provisions are enacted, it is the intention of the FHA to place controls on such mortgagors to preserve the nonprofit and limited dividend concept of the section. In approving individuals or partnerships as mortgagors, the FHA would place the same limitations upon their operations and return on investment as it now places on limited dividend corporations. The mortgage amount would be limited to 90 percent of that available to a nonprofit corporation or association. Also, a specific limitation would be placed on the mortgagor's return on his investment.

The FHA's control over individuals and partnerships as mortgagors would be accomplished through requiring the mortgagor to enter into a regulatory agreement with the FHA. This agreement would contain specific provisions for limiting the mortgagor's return on his investment. It would also provide for the FHA's general supervision over the operation of the project including control over the rents charged and the disposition of surplus cash. The mortgagor would be required to make the property and records available for inspection by the FHA at all reasonable times, and would be required to make periodic reports to the FHA of the financial condition of the project.

It is also anticipated that the FHA would place the same limitation on prepayment of the mortgage by an individual or partnership mortgagor as it now places on such prepayment by a limited dividend corporation mortgagor. The present FHA regulations governing limited dividend corporations as mortgagors prohibit the prepayment of the mortgage within the first 20 years from the date of insurance except where specific approval is given by the FHA. The approval by the FHA of a prepayment at an earlier date would be given only if it receives satisfactory assurances that the intent of the statute would not be violated.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. SPARKMAN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. McINTYRE in the chair). The question is on agreeing to the amendment of the Senator from Alabama [Mr. SPARKMAN]. The amendment was agreed to.

DEATH OF EDWARD WOODS, OF THE ST. LOUIS POST-DISPATCH

Mr. LONG of Missouri. Mr. President, it is with great sadness that I inform the Senate of the death this morning of Edward Woods, of the the St. Louis Post-Dispatch.

Ed Woods was one of our Nation's most outstanding news reporters and news analysts. He has worked with the Washington bureau of the Post-Dispatch for many years. He was a soft-spoken man but his words, both vocal and printed, often carried a bite. He wrote his stories as he saw them and because of his courage and insight his readers were privileged to know what was fact and what was fiction. No greater tribute can be paid to a working newsman, for in this day of Madison Avenue, and tons of mimeographed press releases, the real story is often hard to come by.

Ed Woods was particularly interested in the rights of the American people. The Congress and the Supreme Court could always expect any action they took,

which affected the Constitution or individual liberty, to fall subject to his critical eye. He was concerned that the people know and understand the blessings of liberty and be aware of all the dangers to them.

Freedom and equality have lost a champion. Truth and knowledge have lost an advocate. America has lost a real patriot.

Mr. SYMINGTON. Mr. President, I join my colleague in expressing deep sorrow at the death of Edward Woods, of the St. Louis Post-Dispatch.

Ed was our friend for a great many years. He was universally admired and respected, not only by Members of Congress, but also by everyone in the Government.

He was a devoted father, and my wife and I extend to his gracious wife deep sympathy in her sad loss.

Mr. MANSFIELD. Mr. President, I wish to join the distinguished Senators from Missouri in expressing my deep sense of sadness at the passing of Edward Woods.

Ed was a newspaperman in the old tradition. He specialized in labor matters, but his tastes were catholic and he covered the waterfront, so to speak.

He was a tried and true member of the fourth estate, a fair and impartial reporter.

I extend to Mrs. Woods and her family the deepest sympathy and condolences of Mrs. Mansfield and myself.

We shall miss Ed Woods very much.

HOUSING ACT OF 1964

The Senate resumed the consideration of the bill (S. 3049) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

Mr. JOHNSTON. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 23, it is proposed to strike out lines 1 through 9, as follows:

NONRESIDENTIAL PROJECTS IN THE DISTRICT OF COLUMBIA

SEC. 216. Section 20(1) of the District of Columbia Redevelopment Act of 1945 is amended by striking out the first parenthetical phrase and inserting in lieu thereof the following: "(as such projects are now or may hereafter be defined in title I of the Housing Act of 1949, including but not limited to projects authorized without regard to the residential or nonresidential character or reuse of the urban renewal area)".

Mr. JOHNSTON. Mr. President, this amendment deals with the District of Columbia Redevelopment Act of 1945. This matter was handled by the District Committees. My information is that the bill was passed in the Senate and sent to the House along this line; and it is now in the House of Representatives.

I believe that those two committees should deal with matters of this kind, and not the old Congress.

For that reason I am asking that these lines be stricken out, in order to allow

the two committees to decide what they believe is right and fair for Congress to do.

Mr. TOWER. Mr. President, I support the Senator from South Carolina [Mr. JOHNSTON] in his amendment. I believe that there was a singular lack of understanding in the committee when the matter was brought up before it. I believe that the amendment offered by the Senator from South Carolina is eminently appropriate and should be adopted.

Mr. JOHNSTON. I thank the Senator from Texas for his statement. I served on the District Committee for about 12 years, and I feel that they are better qualified in regard to matters dealing with the District than is the old Congress. For that reason I ask that these lines be stricken out.

Mr. SPARKMAN. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON. I am glad to yield.

Mr. SPARKMAN. The point has been made that the District legislative committees have jurisdiction over this matter. The language which is sought to be amended by this bill is in the existing act of 1954. We have, at different times, dealt with urban renewal for the District of Columbia, as we have with other cities. The reason the language is needed is that the Corporation Counsel, I believe, misconstrued the language of the 1954 Housing Act. This language is designed to clarify the 1954 Housing Act. It is true that the District Committee did rule on this matter and submitted it to the Senate, and the Senate voted in favor of it.

The question came to us when the housing bill was before the committee, that the act of 1954 needed an amendment in order to get by the decision of the Corporation Counsel. So, I feel that we have complete and full jurisdiction over it. It was an act we had written originally into law. That was the act of the committee. The member of the committee who handled it was the Senator from New Hampshire [Mr. McINTYRE], who is a member of the District Committee.

I have nothing further to say on it except that I certainly am not too well informed on it beyond what I have already said.

Mr. McINTYRE. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I do not have control of the time. I believe the time is now controlled between the Senator from South Carolina and the Senator from Texas.

Mr. JOHNSTON. I am glad to yield to the Senator from New Hampshire. Personally, I believe that the two District Committees should handle these matters. I do not believe that this subject ought to be dealt with on the floor of the Senate in this manner when the two committees have been holding hearings on these matters.

Mr. McINTYRE. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. McINTYRE. I believe that the Senate should understand that in July 1963, this body passed S. 628, which was a broad clarification of the urban renewal powers as applied to the District of Columbia.

S. 628 contained a new definition of blighted areas, and, in general, was designed to help the Downtown Progress Committee go forward with its plans to rejuvenate this city.

As the Senator from Alabama has correctly stated, what this amendment seeks to do is simply to give to the city of Washington the same authority with respect to urban renewal powers in nonresidential areas that the cities of Charleston, S.C., New York, Cleveland, and every other city have enjoyed.

I might briefly relate that it was in 1945 that the Redevelopment Land Agency of this city was established. This was one of the first municipal groups aimed at slum clearance. In 1949, when the National Housing Act was passed, there was no question but that the city of Washington was to receive the same consideration under the National Housing Act as any other city. No question arose until some time in 1954 when the first 10 percent of the funds that could be utilized for nonresidential areas was agreed to in the National Housing Act of 1954, amending the earlier Housing Act. It was at that time that the Corporation Counsel of the city of Washington made what the Senator from Alabama [Mr. SPARKMAN] has referred to as an unfortunate ruling. I agree with this characterization. The language of the 1945 Redevelopment Land Agency law, as amended, was construed to mean that urban renewal powers would not be allowed to be exercised in Washington as far as the 10 percent was concerned, even though they were being granted in all of the other cities of the Nation.

S. 628, which has passed this body, is broader than this amendment. All this section seeks to do—and I as a member of the District of Columbia Committee, had it placed in during the Banking and Currency Committee meeting on the Housing Act of 1964—is to give Washington the same power with urban renewal in nonresidential areas that other cities enjoy.

I hope the motion to delete will be defeated.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McINTYRE. I yield.

Mr. CLARK. The Senator has been a distinguished mayor of his own home city, as have a few other Senators. It seems to me it is rank discrimination to grant to every city in the country, except the Nation's Capital, the right to spend funds on urban renewal in nonresidential areas. Goodness knows, those of us who live here know how much it is needed.

Can the Senator think of any logical reason why the city of Washington should be denied what other cities in the country have been permitted to do?

Mr. McINTYRE. There is no reason.

Mr. CLARK. Is it not correct that on at least two earlier occasions, the Senate

has undertaken in housing bills to legislate for the District of Columbia?

Mr. McINTYRE. That is absolutely true. It does not set any precedent to have a provision in the Housing Act dealing with the Redevelopment Land Agency. This has been true in 1949 and in 1954.

Mr. JOHNSTON. It is not a question of giving the right to the city. The question is before Congress at the present time. We pass a bill through the Senate which we will have to say is far more removed than this, probably, and it covers it in detail. It deals with it in a precise and proper manner.

Mr. McINTYRE. That is true. We passed this measure in July 1963, in the Senate. We are in hopes of adjourning sine die in a few weeks. There is a very good chance that nothing will come of S. 628. That is why we need this provision in the housing bill.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. THURMOND. Mr. President, I commend the Senator for submitting the amendment, and I ask him if it is not directed toward a proposal which the District of Columbia Committees are already considering? Is it not true that the Senate Committee on the District of Columbia has already acted on this matter and that it is to be acted on by the House Committee on the District of Columbia?

Mr. JOHNSTON. That is correct. This is a matter with respect to which a State would handle the situation. And yet we come along and take it out of the hands of the District of Columbia. The two committees are dealing with this problem at the present time. The Senate committee has already acted, and sent the bill over to the House. It is now working on the matter.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON. I yield.

Mr. CLARK. The Senator is aware of constant action over many years by the House Committee on the District of Columbia to rehabilitate and rebuild Washington. I would like to ask the Senator to explain to me and to other Members of the Senate why he thinks the privilege of utilizing urban renewal funds for industrial and commercial development, which is available to every other city in the country, should be denied the city of Washington, because the House Committee on the District of Columbia does not want to do it?

Mr. JOHNSTON. I believe they should have that right. I believe that regulations should be established by the two committees on the District of Columbia which deal with matters concerning the District.

Mr. McINTYRE. Mr. President, I would like to explain how this legislative situation arose. In July 1963, S. 628, which I have already indicated was a bill dealing with urban renewal power in nonresidential areas for the District of Columbia, was passed by the Senate.

In 1961, the House passed a bill identical with S. 628, known as H.R. 13163. The Senate did not act on this bill in

1961. So we have House approval in 1961 of a bill for urban renewal in the District. In 1963, the Senate passed a bill. There is every chance that nothing significant will come of S. 628 in 1964, to the detriment of the Downtown Progress Committee, to the detriment of the Redevelopment Land Agency, and to the detriment of Washington and the District of Columbia.

Since this section would only be giving to the District of Columbia the same rights of urban renewal that are already enjoyed by every other city in the United States, I think the motion to delete should be defeated.

The PRESIDING OFFICER. Does the Senator yield back the remainder of his time?

Mr. JOHNSTON. Mr. President, I yield back the remainder of my time.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. THURMOND].

The amendment was rejected.

Mr. KEATING. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 19, line 7, it is proposed to strike out "a new paragraph" and insert in lieu thereof "two new paragraphs".

On page 19, line 17, strike out all that follows the semicolon.

On page 19 between lines 17 and 18 insert the following:

(7) to official governmental planning agencies for any area where there has occurred a substantial reduction in employment opportunities as the result of (A) the closing (in whole or in part) of a Federal installation, or (B) a decline in the volume of Government orders for the procurement of articles or materials produced or manufactured in such area; and

On page 20, line 1, after "cost" insert "to an official governmental planning agency for an area described in subsection (a) (7), or".

On page 21, line 20, strike out "(6)" and insert "(7)".

On page 21, line 22, strike out "(7)" and insert "(8)".

Mr. KEATING. Mr. President, it is a very simple amendment. It proposes to authorize, not to require, but merely to authorize Federal planning grants for areas where a substantial reduction has occurred in employment opportunities as a result of the closing of a Federal activity, or a decline in the volume of Government orders.

Section 701 of the act already includes subparagraph (4).

There is already provision for planning by official Government planning agencies in areas where rapid urbanization has resulted or is expected to result from the establishment of or substantial expansion of a Federal project. In other words, there is now in the act provision for grants where a Federal installation is moving into an area. My proposal is a counterpart of that. Oftentimes the problem of planning is even more urgent, and the possibility of assuring adequate

funds may be even more difficult in an area in which a Federal installation is moving out. In such communities—and, let me say very frankly that New York State has a number of such hard-hit communities—there is pressing need for action to avoid the urban and suburban blight that can strike an area when the jobs move out, but the community debt remains high, the community facilities have to be maintained, and the community has to catch its breath and figure out how to meet the challenge.

The first step that any such community must make, in my judgment, is to undertake a coordinated planning study of the resources available to it, the trends of population concentration, the transportation system, and the direction and financing of community development. This is precisely what is provided for under section 701 anyway, but my amendment would specifically authorize such assistance, up to 75 percent in areas of special need, in cases where the community dislocation is caused directly by the actions of the Federal Government.

For instance, the first problem the community must often face is what use should be made of any property vacated by the Federal Government. Where a large amount of land is involved, this can often be an important question, crucial to community planning efforts for decades to come.

Another immediate problem may concern the decline in Federal payments to school districts under the impacted areas program. The schools are still standing; the maintenance must still be paid for; the teachers must be compensated; and the school bondholders must still be paid off, even though the community tax rolls are depleted and the Federal payments reduced or cut off.

These are very serious problems of urban and community adjustment. The answer is not simply to let an area decay, but to encourage area leaders to sit down and draw up their plans to avoid community decay and to recognize the community responsibility on the highest level. Surely it is also right and equitable to recognize specifically the Federal responsibility to help meet a challenge created by Federal policies.

Mr. President, a number of different solutions have been offered to the problems created by Federal cutbacks, in jobs, installations, or contracts, and I do not suggest that this proposal is the whole answer by any means. But I believe very strongly that communities facing a sharp cutback in Federally supported jobs need, first, a morale booster. They need the assurance that the Federal Government has not moved out entirely, with no further concern for their welfare or community development. By putting specifically into the urban planning grant provisions of the Housing Act an authorization for Federal aid to these communities, we would be doing a lot for the initial morale of such communities and we would be taking a big step toward locating and promoting the long range objectives of such communities in urban planning and development.

I have been studying this problem for some time and in general I am convinced

that regional action, through regional planning commissions and the like, is one of the most important ways for municipalities, counties, and States to meet the changing impacts of defense and other Federal spending. Several months ago in April I spoke at the Tri-County Labor Management Institute on Long Island and discussed the problem at some length. I suggested then that a Long Island Regional Commission be formed to study the existing economic resources of the island and make provision for community development to meet the problems of a steady decline in defense oriented jobs, which have hitherto played a very large role in the economy of the island. Now I am very glad to note that a meeting has been called for next week to set in motion a group very much along the lines I originally proposed, a regional planning body as described in section 701 of the Housing Act of 1954. These groups, in my view can play a most important role, in the kind of planning envisioned by the framers of this legislation, and it would in my view be most appropriate to recognize specifically the intent of the Congress to assist this kind of grass roots planning effort and to provide up to 75 percent Federal assistance to encourage this kind of planning.

I know that the Senator from Alabama has taken particular interest in this problem and has held a number of hearings on the problems of small business conversion to nondefense work. My amendment is directed toward another facet of what is basically the same problem. My amendment is particularly directed toward the kind of urban and community problems that must be faced and overcome when a Federal installation moves out or when federally supported jobs are eliminated.

The Federal Government has come to accept wider and wider responsibilities in the field of urban development, as the Senator well knows, for he has been a pioneer in this field. Yet in my judgment it is still something of an anomaly that the Federal Government is prepared to move so vigorously to solve all kinds of urban and community problems which the Federal Government has not in any way been responsible for creating, yet the Federal Government has been very slow indeed to recognize its responsibility to take action or even to promote local action in cases where the community problem is the direct fault of Federal jobs or federally sponsored jobs being removed. This is one area surely where the Federal Government should not evade its own obligations to help a community which it has injured, for reasons which usually have nothing at all to do with the community that has been hurt.

This amendment would supply welcome recognition of Federal intent to help communities where the Federal Government is moving out. We are all familiar with the parable of the talents in the Bible. "To him who hath shall be given." At present that is what this bill provides, for the community which is getting a new Federal facility qualifies immediately for aid under section 701. The community which is losing what may

be its main source of income does not specifically qualify. I believe it would be most appropriate and wise to add specific authorization for grants to communities affected by Federal installation or contract cutbacks.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. KEATING. I yield to the distinguished Senator from Pennsylvania.

Mr. CLARK. Can the Senator give us an example of a city in which an installation is moving out? I must say that I am sympathetic generally with the Senator's objective, but it is hard for me to visualize an example in which some planning would be required because the city was shrinking instead of growing.

Mr. KEATING. It is more likely to be a smaller community, perhaps, but not necessarily. If the Senator will look at the wording of the amendment, he will observe that it would allow planning. I emphasize that no more money would be involved. The amendment is designed to make such an official Government planning agency eligible where there has occurred a substantial reduction in employment opportunities as a result of the closing of a Federal installation or a decline in the volume of Government orders for the procurement of articles.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. KEATING. I yield.

Mr. CLARK. The Senator will recall that in a study made by the Subcommittee on Employment and Manpower, which was published earlier this year, we expressed considerable concern as to what would happen in communities in which defense contractors had contracts terminated because the product they were making was obsolete or no longer needed.

I take it that the Senator's amendment would not include a situation of that sort, because that would not be a Federal installation. However, would it not come under (b), a decline in the volume of Government orders?

Mr. KEATING. It would come under (b).

Mr. CLARK. Would something like the situation I am about to state be the kind of situation which the Senator has in mind: Suppose that we had no need for additional manned aircraft, which was the subject of some controversy the day before yesterday. Therefore, contracts for a superbomber or a follow-on bomber are canceled, and the installation moves out of the area. Then the provision of the Senator's amendment would authorize a planning grant to help that community rethink its future. Is that what the Senator has in mind?

Mr. KEATING. That is exactly the purpose of the amendment. To be specific with the Senator, and to state an exaggerated case, if it were decided to close the Philadelphia Navy Yard or the Brooklyn Navy Yard or greatly to reduce employment in those areas, if those communities had regional planning agencies to plan what to do, the amendment would permit—not require but permit—the grant for urban planning in that area.

Mr. President, since the amendment would not involve any additional funds, and since the Federal Government has indicated in a general way that it is receptive to the idea of helping communities in which defense installations, for example, are either moving out or being reduced, I am hopeful that the committee will see its way clear to accept the amendment. I emphasize that the Department of Defense has set up a small unit which is designed to assist communities in which defense activities in a particular area are reduced.

My colleague [Mr. JAVITS] and I have recently observed the problem in the city of Rome, N.Y. A move was made to move out of that modest-sized community the Rome Air Materiel activities. I have been advocating the formation of regional planning agencies—official governmental planning agencies—in various areas such as Rome, N.Y., so as to enable them to do their own planning.

All that the amendment would do would be to say, in effect, to such communities, "You have zoning problems; you have transportation problems; you have tax rate problems in order to bring in other activities; and therefore we will give you the authority"—and I emphasize the word "authority"—not the obligation, but the authority—"under the urban planning section of the bill to help you do your planning, just as we have the authority now to help a community do its urban planning when an activity is being moved in."

It strikes me that the need may be even more acute where unemployment and distressed conditions are being created by an installation being moved out than where the Federal Government is moving in.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. KEATING. I am happy to yield to my colleague.

Mr. JAVITS. I, too, as a member of the committee would like to join my colleague in asking the chairman of the committee to take the action requested. It would be permissive. It is the reverse of a situation we have already taken care of in existing law. Only planning would be involved. It would not be a greater subsidization of any urban renewal project or other project. My colleague has had enormous and sad experience, as I have, with just such communities. I join with my colleague from New York, and hope that the chairman will accept the amendment.

Mr. KEATING. I am grateful to my colleague.

Mr. DOMINICK. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. DOMINICK. I appreciate the courtesy of the Senator from New York. I wish to support his amendment 100 percent. It seems to me that a part of the problem with which we are dealing all the way through in relation to defense contractors and defense installations is the idea that we have provided money for a national need. In many cases we have created whole new housing developments. New industries have come in,

and the communities are dependent upon those. If for one reason or another those industries are cut off, we shall have created another type of national need by virtue of national action, and it seems to me perfectly proper that the proposed type of planning is what we should do. It seems to me perfectly proper that the type of planning proposed should fit into the bill in order to take care of a national need which was originally created, and then re-created by the reverse of the original installation.

Mr. KEATING. I am very grateful to my colleague for his remarks.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. SPARKMAN. The Senator is dealing with something for which I have a great deal of sympathy. The Senator may know that the Senate Small Business Committee is now in the course of holding hearings and making some studies relating to the impact on small business of the conversion program that we know must take place some time in the future. It seems to me that the Senator is looking forward to the increased unemployment that must take place in connection with those conversions. As I see it, a community that has a conversion problem certainly needs planning and will need help in making a plan. I am not sure, however, whether this 701 program is set up to do the kind of planning that needs to be done in the situation to which the Senator refers. We have not had an opportunity to study the question in the committee. Nevertheless, I am willing to take the amendment to conference. I have consulted briefly with the Senator from Texas and I believe he is in accord with that procedure.

Mr. KEATING. I appreciate that very much.

Mr. SPARKMAN. When I say that I am willing to take it to conference, I mean I am willing to take it just as if it had been voted by a yea-and-nay vote into the bill by the Senate.

Mr. KEATING. I am sure that the Senator is sincere in that statement. I appreciate it very much. The Senator is quite correct. I do not like to bring up these questions when they were not considered in the committee. The proposal was drawn as a counterpart to the existing section in section 701 by the legislative counsel. I believe it is in good form, but perhaps it could be improved upon. I am glad to hear the Senator say that he is in accord with the general principle that is involved. Also I know of the fine work of the Senator from Alabama in the Small Business Committee and the concern of the committee in this problem.

I am very grateful to the Senator for accepting the amendment, and I ask for a vote on it.

Mr. SPARKMAN. Mr. President, I am prepared to yield back my time.

Mr. KEATING. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment of the Senator from New York [Mr. KEATING].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. TOWER. Mr. President, I ask unanimous consent to have printed in the RECORD certain amendments which I had prepared to the bill, but which I shall not offer. Nevertheless, they relate to matters which should be considered in the future, when we take up an omnibus housing bill. Therefore, I ask unanimous consent to have those amendments printed in the RECORD, with some pertinent statements by me on them.

There being no objection, the amendments and statements were ordered to be printed in the RECORD, as follows:

AMENDMENT INTENDED TO BE PROPOSED BY MR. TOWER TO S. 3049, A BILL TO EXTEND AND AMEND LAWS RELATING TO HOUSING, URBAN RENEWAL, AND COMMUNITY FACILITIES, AND FOR OTHER PURPOSES

On page 28, between lines 10 and 11, insert a new section as follows:

"PURCHASE OF UNITS BY TENANTS IN LOW-RENT HOUSING PROJECTS

"SEC. 307. (a) Section 15 of the United States Housing Act of 1937 is amended by adding after paragraph (8) (added by section 306) a new paragraph as follows:

"(9) Notwithstanding any other provision of this Act, any public housing agency may permit any member of a tenant family to enter into a contract (either individually or as a member of a group) for the acquisition of his dwelling unit or another suitable dwelling unit in any project of the public housing agency on the following terms:

"(A) The purchaser shall pay at least (i) a pro rata share cost of any services furnished him by the public agency, including but not limited to, administration, maintenance, repairs, utilities, insurance, provision of reserves, and other operating expenses, (ii) local taxes on his dwelling unit, and (iii) monthly payments of interest and principal sufficient to amortize a sales price, equal to the appraised value (at the time such purchase contract is entered into) of the dwelling unit, in not more than forty years: *Provided*, That the public housing agency may, under terms and conditions to be prescribed by it, permit a purchaser to apply an amount equal to the rent paid for his dwelling unit, over a period not exceeding three years prior to the entering into of any such contract, toward the purchase price of such unit;

"(B) The interest rate shall be fixed at not less than the average interest cost of loans outstanding on the project, except that in the case of a project on which bonds are not outstanding the interest rate shall be fixed at not less than the going Federal rate applicable to such project;

"(C) The principal payments shall be not less than one-half of 1 per centum per annum of the sales price during the first five years after purchase, 1 per centum per annum during the next five years, 1½ per centum per annum during the third five years, and thereafter not less than the principal payments resulting from a level debt service of interest and principal over the balance of the payment period;

"(D) If at any time (i) a purchaser fails to carry out his contract with the public housing agency and if no member of his family who resides in the dwelling assumes such contract, or (ii) if the purchaser or a member of his family who assumes the contract does not reside in the dwelling, the public housing agency shall have an option to acquire his interest under such contract upon payment to him or his estate of an amount equal to his aggregate principal payments plus the value to the public housing

agency of any improvements made by him, less an amount equal to 2½ per centum of the sales price."

"(b) Such Act is further amended—

"(1) by inserting in the parenthetical phrase in section 10(h) after the words 'exclusive of' the following: 'any part thereof covered by a contract or conveyed pursuant to paragraph (9) of section 15, and exclusive of';

"(2) by inserting after 'may be made' in section 10(1) the following: ', subject to any outstanding contracts made pursuant to paragraph to paragraph (9) of section 15;';

"(3) by inserting after 'acquisition' in paragraphs (1), (2), and (3) of section 15 the following: '(except pursuant to paragraph (9) of section 15)'; and

"(4) by inserting before the semicolon at the end of paragraph (1) of section 22(a) a colon and the following: 'Provided, That such conveyance or delivery of title shall be subject to the rights of third parties vested pursuant to paragraph (9) of section 15'."

On page 28, line 13, strike out "307" and insert "308".

STATEMENT BY SENATOR TOWER

In Housing Subcommittee meetings, I brought up for discussion a public housing amendment which seemed to receive favorable comment from those of varied political persuasion. I do not intend to call the amendment up, but request that it be inserted in the record at this point for future reference.

The amendment is quite simple—it allows tenants of public housing units to purchase such units; in other words, it makes home owners out of those living in public housing, if they so desire. The advantages of homeownership are, of course, both apparent and numerous.

I am hopeful that the amendment can be given serious consideration in committee next year and offered as a part of the 1965 housing bill.

AMENDMENT INTENDED TO BE PROPOSED BY MR. TOWER TO S. 3049, A BILL TO EXTEND AND AMEND LAWS RELATING TO HOUSING, URBAN RENEWAL, AND COMMUNITY FACILITIES, AND FOR OTHER PURPOSES

On page 12, line 25, strike out the colon and insert in lieu thereof the following: "its total certified actual moving expenses and, in addition, an amount not to exceed \$3,000 for any actual direct losses of property except goodwill or profit: *Provided*, That payments shall be made only for such certified actual moving expenses and such actual direct losses of property which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made."

On page 12, line 24, strike out "the following".

On page 13, strike out lines 1 through 21. On page 13, line 22, strike out "of clause (1)".

On page 13, line 25, strike out "such clause (1)" and insert in lieu thereof "this subsection".

STATEMENT BY SENATOR TOWER

This amendment is directed toward a new concept of relocation payments to displaced businesses, in conjunction with Federal urban renewal projects.

Let's look at an example to see how the new concept could work:

John Smith had his little craft business in an urban renewal area.

The urban renewal authority paid him \$1,000 when his business was terminated by urban renewal activity.

Mr. Smith, who needed a bit of a vacation after tending his business alone for a number of years, decided not to reestablish his business for the time being. Further-

more, a larger business in the same craft had offered him a job.

Mr. Smith took 2 months' vacation and returned to his new job at \$15,000 a year. At the end of the year, since termination of his own business, Mr. Smith was paid \$1,500 more by the urban renewal authority because he did not reestablish his business with 1 year. The \$2,500 paid for his vacation.

This hypothetical case can happen under the new relocation provision for businesses in urban renewal areas contained in the committee bill.

The bill retains the original moving expense for small business (actual or up to \$3,000) but adds the arbitrary \$1,000 when the business is terminated and offers the \$1,500 if the businessman accepts no moving expense.

I am not offering the amendment because I am opposed to assisting displaced businesses. Certainly, I'm not. I just want to ascertain clearly whether we are going after the problem in the right way.

As I understand it, a House Select Subcommittee on Real Property Acquisition has recently completed a detailed study of problems resulting from acquisition of property for Federal or federally assisted programs.

This study, of course, included consideration of those displaced by Federal urban renewal projects.

Already we have the results of what I understand to be a portion of that study, compiled from questionnaires submitted to 4,020 smaller, independent businesses and professional people located in 46 cities in 34 States where government projects have been undertaken, are now in process, or in the planning stage.

I cite this portion of the study as an example of how apparently thorough this select committee has gone into the problem. Their report will be submitted about the 30th of September.

I feel we should await this report before acting hastily as I feel we are doing in this bill.

I will not call this amendment up, but sincerely hope this entire problem will receive a great deal of consideration next year.

AMENDMENTS INTENDED TO BE PROPOSED BY MR. TOWER TO S. 3049, A BILL TO EXTEND AND AMEND LAWS RELATING TO HOUSING, URBAN RENEWAL, AND COMMUNITY FACILITIES, AND FOR OTHER PURPOSES

On page 8, between lines 14 and 15, insert a new section as follows:

"LOCAL PAYMENTS FROM INCREASED TAX REVENUES

"SEC. 301. Section 101 of the Housing Act of 1949 is amended by adding at the end thereof a new subsection as follows:

"(e) No contract shall be entered into for any capital grant under this title with respect to any project (not constructed or covered by a contract for annual contributions prior to the date of enactment of the Housing Act of 1964) for the redevelopment of any area in a locality, unless the locality agrees to make annual payments to the United States, out of any increase in the annual tax revenues derived by it as a result of such redevelopment, equal to 10 per centum of the amount of such increase; such payments to continue until such time as the total amount of such payments are equal to the total amount of capital grants which were made in respect to such project."

Renumber succeeding sections accordingly.

STATEMENT BY SENATOR TOWER

I have an amendment here which I will not call up, but which has been receiving widespread favorable comment. Simply stated, it provides that a locality which re-

ceives Federal urban renewal funds shall repay such funds out of increased tax revenues derived by the locality as a result of the urban renewal redevelopment. The amendment calls for a payment of only 10 percent of the amount of this tax increase.

The cities have been double gainers in the urban renewal program.

The first gain comes when the Urban Renewal Administration pays more than two-thirds the cost of rebuilding a heretofore codeless, unplanned, unkempt section of a city.

The second gain comes when the urban renewal section, resold and rebuilt, begins paying the heretofore disinterested city large increases in taxes.

There is evidence that some cities are, or planning to, relieve their own tax burdens through the use of the additional taxes made possible by all the taxpayers in the land.

William L. Slayton, Urban Renewal Commissioner, has made speeches throughout the country selling urban renewal projects to communities on the basis that they can make money doing it—make money at the cost to all the taxpayers in the country.

In one speech, he pointed out the tax gains made in Washington, D.C., Detroit, Chicago, Calexico, Calif., Norfolk, Va., Oakland, Calif.

Article after article has been published in the CONGRESSIONAL RECORD in recent months boasting of the great tax gains made by cities from their urban renewal projects, which were paid for in the most part by Federal funds—money from taxpayers who do not live in cities. It would seem only fair to the country's taxpayers that some provision be made whereby the profiting cities would share the benefits with their benefactors.

Since Mr. Slayton said in one speech that Detroit would profit in taxes by \$442,000 annually from one project alone, it seems only fair that 10 percent of that profit could be turned back each year to the Federal Government until such time as the gifts from the country's taxpayers are paid back. It still would be "urban renewal without cost to the cities."

It is not my intention, as I have said, to call up this amendment. I am hopeful that the chairman of the Housing Subcommittee will join with me in securing detailed consideration of this amendment at the time housing legislation is brought before our committee next year.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

Mr. DOMINICK. Mr. President, are we getting ready for a third reading? I want to speak on the bill.

Mr. TOWER. I suggest that the Senator let us get the third reading first. Then he can get time on the bill.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. SPARKMAN. Mr. President, on the bill I yield 2 minutes to the Senator from Rhode Island [Mr. PELL].

Mr. PELL. Mr. President, my senior colleague [Mr. Pastore] intended today to support S. 3049, the Housing Act, but had to be back in our home State on official business in connection with the arrival in Providence of the nuclear ship *Savannah*.

In his behalf, as well as on my own, I express the hope that we will enact a new housing bill. Although small in size

geographically, Rhode Island has a big stake in housing.

This will be the first major housing legislation considered by the Congress since the historic Housing Act of 1961. Of special interest to us is the portion of the proposed bill dealing with federally aided low-rent housing and, more significantly, language dealing with housing assistance to elderly persons—persons subsisting primarily on meager pensions, social security, or hard-earned savings.

The 1961 act gave the Public Housing Administration lending and subsidy authority to help communities build approximately 100,000 units of new public housing. About half that number of units ultimately will be especially designed and constructed for elderly.

It broadened the low-rent program to include American Indians for the first time, and nearly 4,000 new units of low-rent housing are under construction or in various stages of development on Indian reservations virtually from coast to coast.

The 1961 act stimulated interest in low-rent housing in scores of new communities across the Nation. Since then, some 360 new local housing authorities and 600 new localities have entered the program.

But when the fiscal year ended, a month ago, PHA had on hand applications from about 300 cities and towns throughout the Nation for an additional 43,000 units of low-rent housing. These must be shelved until the Congress enacts new housing legislation.

Meanwhile, about three-fourths of the Nation's 1,550 local housing authorities with low-rent developments in operation reported an aggregate waiting list of more than 500,000 applications from low-income families. Bear in mind that PHA-assisted projects have an annual move-out rate of about 22 percent as families better their economic status largely as a result of the respite granted them by low-rent housing. This means that those families may not be accommodated for 5 years, perhaps longer.

What will happen to them in those years of imprisonment in the slums and in what way will they be able to add to the strength and economic growth of our Nation? Rhode Island is especially concerned about its children and its elderly.

We all can take pride in the great studies that have been made in this country toward achieving longer life. A child born in 1900, for example, could expect 47 years of life; his grandchildren, born today, look forward confidently to a lifespan of 70 years. Although nearly 23 years have been added to Americans' lifetimes, our customs and mores dictating the time at which our productive lives shall cease has not kept pace.

To some, retirement is viewed as a respite from many of the problems of a lifetime. We know, however, that in too many cases—this simply is just not true. Older people, as a rule, need more medical care than younger people. Usually, they have less money to pay for it. And they can less afford to go without it.

The fortunate ones beyond 65 are those taking up second—and even third—ca-

reers, entering entire new fields of social, political, economic, avocational, and recreational endeavor—after, mind you—after society, in some cases, has arbitrarily ruled that their productive lives have ended.

In short, we seek to extend the span of independent living for our elderly rather than to relegate them to the human, economic and social scrap heap.

We in Rhode Island have done much to show that the span of independence for our elderly can—and is—being extended; that elderly can—and do—make a contribution to the social progress of our State, small geographically as it is.

We are doing this in a number of ways but I want to call my colleagues' attention, Mr. President, to one which appears to offer the most hope for the future to extend this span of independent living we all seek for our elderly. That is the low-rent public housing program for elderly which currently approaches 88,000 units in the United States either in various stages of development or in management.

These are specially designed housing units built to include features easing daily living for low-income elderly or handicapped.

Among the most notable of Rhode Island's efforts in this respect is that of Providence, and Dexter Manor, a 200-unit high-rise structure for elderly, built by the housing authority of the city of Providence. At its dedication, a Providence Evening Bulletin editorial called it "a shining example for Rhode Island," and well it is. And the Providence Journal termed Dexter Manor a "golden agers' opportunity."

Dexter Manor also stands as a "shining example," as the Evening Bulletin called it, of enlightened Federal-local cooperation to help solve the problems of growing old on a low income.

Despite Rhode Island's relatively modest number of public housing units, one-sixth of the State's total already are among those especially designed dwellings for the elderly, all of which have been assisted in their construction by the Public Housing Administration under the Federal Housing Act.

More than 300 additional units are nearing completion under the program in Rhode Island, and 500 more are in some stage of development. Most of those 800 new units of low-rent housing are destined for occupancy by low-income elderly.

The Public Housing Administration, which makes loans and furnishes technical advice to local housing authorities—including the six in Rhode Island—in this low-rent housing program, already has committed all the approximately 100,000 units authorized by the Housing Act of 1961 to the housing of low-income Americans at rents they can afford and, for elderly, in housing built specifically and scientifically to accommodate their special needs.

Prudent administration of funds and authority to PHA by its Commissioner, the Honorable Marie C. McGuire, granted under the 1961 act, may see the total number of new low-rent housing units eventually placed under construction ex-

ceed the approximately 100,000-unit figure thought to be possible under that act.

Still, the need continues. And applications continue to arrive almost daily at the Public Housing Administration regional offices from communities across the country seeking loans and other assistance to help meet the urgent needs of their low-income families and their elderly.

In my own State of Rhode Island, for example, almost 90,000 persons are 65 and over; nearly 26,000 of those head families and almost half that number support their families on incomes under \$3,000 annually. And, another 19,000 individuals 65 and over support themselves in some manner, in some way, on incomes under \$1,500.

I also see the low-rent program—although as limited an approach as it is—as a solution to the housing needs of the millions of American families living in substandard and dilapidated housing and an important tool in the President's war on poverty. It is, however, as it ought to be—only an opening wedge in the fight to share the blessings of America's unparalleled prosperity with the 35 million Americans deep in the mire of poverty, ignorance, and hopelessness.

I hope the leadership will do every thing within its power to bring this bill to an early vote in the Senate.

Finally, Mr. President, I am particularly pleased to note that this bill, as reported by the Committee on Banking and Currency, makes provision for enforcement of local housing codes as a condition of certification of workable programs.

Several weeks ago, I sought to incorporate specific provisions for such code enforcement requirements by introducing, with the cosponsorship of my distinguished senior colleague [Mr. PASTORE], S. 2889, which would have amended the Housing Act to require that amounts up to 5 percent of the total financial aid to be provided be earmarked for enforcement programs.

The committee in its wisdom chose to remove the specific suggestion of a level of expenditure for enforcement, but it did incorporate in title II a strong requirement that no program be certified unless the locality has had for 6 months a minimum standards housing code and unless the administrator is satisfied that the locality is effectively enforcing the code.

I applaud this provision, Mr. President. As I said when I introduced my amendment in June, the best slum clearance program in the world is of little value if the housing that remains is in substandard condition. The language which the committee has provided should go a long way toward making sure that renewal will not stimulate more blight.

Mr. SPARKMAN. Mr. President, I yield 3 minutes to the Senator from New Jersey [Mr. WILLIAMS].

Mr. WILLIAMS of New Jersey. Mr. President, I wanted to inquire of the Senator from Alabama about some proposals which he will recall were discussed in the committee deliberations on the bill—proposals that were raised by the

Senator from Maine [Mr. MUSKIE]. These proposals have been endorsed by the U.S. Conference of Mayors, the American Municipal Association, the National Association of Counties, and the Advisory Commission on Intergovernmental Relations is interested in them.

The proposals deal with urban sprawl, questions of the health of the people living in areas of mushrooming development, and specifically one pertaining to the empowering of the Federal Housing Commission to refuse assistance under any mortgage or commitment involving the construction of new housing unless such housing would be served, wherever economically feasible, by public or adequate water and sewerage systems. Other proposals also pertain to the removal of the 50,000 population ceiling on applicants for water and sewerage projects serving more than one community so long as each community is within the existing 50,000 population limit.

I should like to inquire whether these ideas were at least in part incorporated into the bill, and what the status of the proposals is, particularly from the viewpoint of later committee study.

Mr. SPARKMAN. Mr. President, in answer to the inquiry that has been made on behalf of the Senator from Maine [Mr. MUSKIE], let me say to the distinguished Senator from New Jersey that the distinguished Senator from Maine did present such proposals to the committee, and the committee felt that they were deserving of further study and consideration. I assure the Senator that the Subcommittee on Housing will give study and consideration to these proposals in connection with existing programs and in connection with housing legislation for next year.

I might state also that at this particular time I did not feel that we should give these rather broad proposals hasty consideration without a full study as to their effect on the existing programs which in the past several years we have encouraged, and which have resulted in an increase in housing for veterans, low- and middle-income families, displaced families, and others in the areas mentioned in the specific proposals.

The committee is mindful of hearings presently being conducted by an ad hoc committee established by the Public Health Service of the Department of HEW to look into the proper responsibilities State and local governments in matters of this nature. I am sure our committee will be very interested in the recommendations of the ad hoc committee.

Mr. WILLIAMS of New Jersey. I appreciate that clear statement of the situation. I am sure the Senator from Maine, who could not be present, will appreciate it.

I should like to make one further observation. The Senator from Alabama was one of the first in the Congress to recognize some of the human problems of those who harvest the crops of the country, who are described as migratory farmworkers. In 1940 he first alerted the Nation to some of the problems by serving on a committee. It is significant that in this year, 1964, and in this housing bill

we strike the first blow for better housing with this national program.

As sponsor of the legislation, I express my gratitude for the full cooperation the chairman of the Housing Subcommittee has given.

Mr. SPARKMAN. I appreciate the Senator from New Jersey calling attention to that matter. The first area I studied with respect to migratory housing was in the Senator's home State.

Mr. MCINTYRE. Mr. President, I should like to express my congratulations to the distinguished Senator from Virginia, the chairman of the Banking and Currency Committee [Mr. ROBERTSON], and to the distinguished Senator from Alabama [Mr. SPARKMAN], the Senator in charge of the bill, for having incorporated in the bill section 808, a section dealing with real estate loans by national banks, and which is identical to S. 2576, a proposal of the junior Senator from Maine [Mr. MUSKIE].

The Senator from Maine has worked diligently to have this provision adopted by the Senate. I regret that unavoidable commitments in the State of Maine have made Senator MUSKIE's absence necessary. Senate approval of this provision will represent a tribute to the legislative ability of the junior Senator from Maine.

I ask unanimous consent to have inserted at this point in the RECORD an explanation of section 808.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

REAL ESTATE LOANS BY NATIONAL BANKS

Section 808 would amend the Federal Reserve Act to permit national banks to invest in real estate loans up to 80 percent of the appraised value of the real estate and for a term no longer than 30 years. Existing law limits loans to 75 percent of value and a term of 20 years.

The committee is aware of the increasing activity of the national banks in the residential mortgage market and saw no reason why they should not be further encouraged by liberalizing the existing restrictions in the law on residential lending. Even though the maximum authority might be used in only rare cases, the new terms would give the banks more flexibility and permit them to make sound loans where they are not now permitted.

It is understood, of course, that the key to good lending practices depends more on credit of the borrower than on the security of the loan. Nevertheless, as loan-to-value ratios are liberalized, it becomes increasingly important that lending institutions adopt more precise measures and procedures in estimating value. In today's market with prices leveling off, this has further significance in insuring the soundness of the investment.

In a recent hearing on this subject testimony was provided by Mr. Harry P. Bergmann, senior vice president, Riggs National Bank, Washington, D.C., and chairman, Mortgage Finance Committee, American Bankers Association, urging the committee's support for this amendment.

The following excerpt from his statement is an excellent justification for the committee's action:

"National banks hold approximately \$14 billion in residential real estate loans and, in addition, originate a substantial volume of such loans for other permanent investors. Thus they are very significant participants in the residential mortgage market, yet they

must operate at a serious disadvantage when compared with other mortgage lenders, including State-chartered commercial banks. For example, State-chartered banks in 20 States have no statutory limitations at all on loan-to-value ratios, while in 24 States there is no statutory limitation on the maximum maturities which can be given borrowers by State banks. Further, some of the States which do have limitations have less severe restrictions than are applicable to national banks."

The flexibility to be gained by national banks from a broadening of mortgage-lending authority is important for several reasons: First, it would enable them to serve those potential homeowners who, for various reasons, require a higher ratio of loan to value of property or a longer maturity or both. In communities where commercial banks are the principal mortgage lenders, modernized lending powers would be especially beneficial in permitting the servicing of those prospective borrowers who do not have the present ability to meet available terms and do not have ready access to other mortgage lenders. Second, since a significant activity which commercial banks perform in the housing finance field consists of loan origination for sale to other mortgage holders, they should have the more flexible powers to provide loan terms which would more nearly match the requirements of the prospective borrower and the standards established by the ultimate holder of the mortgage loan.

It cannot be emphasized too strongly that modernization of real estate loan limitations for national banks does not mean that henceforth all residential real estate loans by national banks will be at 80 percent of appraised value and for 30-year terms. This is not the case with State banks today (in States permitting such loans) nor would it be for national banks. Indeed it is doubtful that adoption of this legislation would alter significantly the present lending policies of national banks. What it would do, however, is provide a degree of flexibility for national banks which would enable them, in appropriate circumstances, to make sound loans under somewhat more liberal terms than are presently possible.

Mr. SPARKMAN. Mr. President, I join in extending congratulations to the Senator from Maine. I was pleased to support this proposal. I thought it was a good and sound idea. I have commended the banks of this country over the past 2 or 3 years for the greater activity they have shown in the home mortgage field particularly. I think most people would be surprised to learn the extent to which the commercial banks of this country participate in home mortgages. It has become an important function, and I think a very good function.

I was pleased to see that provision included in the bill, and I shall do all I can to see that it is kept in the bill.

I yield 3 minutes to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I commend the Senator from Alabama [Mr. SPARKMAN] for the excellent way in which he has steered a good housing bill to final victory, and also the individual members of the committee who contributed so much to this bill. I think we should particularly commend Representative WIDNALL, of New Jersey, in the House, and Senator JAVITS in the Senate for calling to our attention the problems of housing code enforcement, and for having a provision incorporated in the

act which will encourage towns and cities to adopt and enforce housing codes.

If the cities would enforce their housing codes, we could head off a great deal of urban blight, which now calls for urban renewal. The Representative from New Jersey, Mr. WIDNALL, first raised this issue in the House, and Senator JAVITS raised it before our committee. The code enforcement provision is included in the bill. We owe them a great debt. It is an instance which shows the way in which we can cooperate across party lines and of how the legislative branch can step out ahead of the executive.

I should also like to thank Senator CLARK for proposing an amendment to permit Federal assistance for intensive code enforcement in urban renewal areas. This was a valuable addition to the bill. I should also like to commend Senator GRUENING and Senator JAVITS for section 102, which places upon the Federal Housing Administration the obligation of correcting structural defects in new homes with FHA insured mortgages. This would compensate owners for defects when builders and contractors have not lived up to the specifications laid down by FHA and refuse or are not able to correct such defects.

The bill contains within itself a very important section to provide relocation assistance to low income families and elderly individuals displaced by urban renewal and public housing. All too often urban renewal has displaced these people and very little has been done to assist them. That is why urban renewal has been called urban removal.

Years ago I was able to have included in the Housing laws a provision for moving expenses. This was an improvement.

Recently I was very pleased to note that the Republican platform this year called attention to the fact that the existing provision for relocation assistance was totally inadequate. The platform charged the Democrats with "neglecting the vital need for adequate relocation assistance."

Therefore, I had hoped that we would get very vigorous action in support of this amendment from our Republican friends. Unfortunately four Republicans chose to ignore their platform and voted against this provision in the committee.

The bill provides that, for a period of 1 year, the difference between 20 percent of a family's income and the cost of minimum housing is to be a relocation charge and paid to the family as relocation assistance. This will help families to find decent housing and get started again in new neighborhoods.

I hope that the Republicans will relent and support this vitally needed provision on the floor. Also, I hope very much that this assistance provision can be retained in full in conference. If I am a member of the conference committee, I can assure the Senate that I shall fight to the end to see that it is retained. In short, I was very happy to see that provision adopted.

Finally, I believe, to a large extent that this is a bipartisan bill. It is an indication that, though there are differences between our parties which are, in many respects, very real, it is also possible to cooperate for the common good.

Mr. President, I urge support of the housing bill, and hope that it will pass by an overwhelming vote.

Mr. SPARKMAN. I yield 5 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, this is a good housing bill which we are about to pass. It is a good housing bill which has been brought out of committee in spite of what seemed to me to be rather serious difficulties. The chief difficulty is that we are nearing the end of the session, that the filibuster on the civil rights bill occupied 3 months of the time of the Senate, and that the time given for careful consideration of the many complex provisions which were suggested to the subcommittee when we met for hearings and to mark up the bill was strictly limited.

A great share of the credit for this quite substantial achievement must go to the junior Senator from Alabama [Mr. SPARKMAN], the chairman of the Housing Subcommittee, who, with his usual tact and good humor and ability never to become excited, minimized the controversies. He brought conflicting views together in an absolute minimum time, and brought out this excellent measure.

I pay tribute also to the Senator from Texas [Mr. TOWER], for his cooperative attitude in expressing his objections to many provisions, and for his willingness to go along with the majority Members in the Senate, without delay and without holding up the progress of the bill and without nit picking, to save his major fight for next year, when there will be before the Senate a substantially new housing bill.

I should like to say a word about the very close connection between this housing legislation and the war on poverty and unemployment. We all agree, I think, that lack of safe, sanitary shelter for the lower one-fifth of American families is one of the real contributing causes to poverty. We all agree also, I believe, that the persistence of chronic unemployment which afflicts many areas of our country is another major cause for poverty, just as inadequate education is in many sections of the country.

In its 1964 economic report, the Council of Economic Advisers pays heed to the important role played by the construction industry in influencing the national economy. The council characterized as "unusually vigorous" the increase in nonfarm residential construction since 1961 and attributed to this growth much of the credit for the present long-lived business expansion.

In the hearings held before the Subcommittee on Employment and Manpower, of the Committee on Labor and Public Welfare, which I have the honor

to head, witnesses estimated the urban renewal and housing labor content at from about \$560 to \$600 per \$1,000 contract award.

The Department of Labor estimates that each \$1 million of contract awards in construction creates 115 man-years of work.

The field of community development—which includes housing, urban renewal, mass transit, highways, pollution control, the construction of other local public facilities, and community planning—represents one of the largest areas of unmet needs in the Nation. There are, at the present time, between 7 and 8 million substandard dwelling units in our urban areas, including units in a dilapidated state as well as those lacking a private toilet or bath or hot running water. The crop of young people in the "war babies" generation is now reaching maturity and will soon be marrying and starting families. The demands for new and rehabilitated dwellings, therefore, will increase dramatically. In addition, the growing proportion of older citizens in the population calls for the construction of housing specially adapted to their needs. An additional need for more low rent or purchase housing units is evidenced by the number of families who are unwillingly "doubled up" for economic reasons.

In the nonresidential housing field, community needs will be similarly acute in the approaching years. There are an enormous number of obsolete commercial and industrial structures in our metropolitan areas. Every city, small and large alike, has its "skid rows," its inefficient office buildings, and its outmoded manufacturing establishments which should be demolished and replaced with modern buildings capable of paying for themselves through increased revenue. Continuous expansion of the metropolitan areas will increasingly direct attention toward improving inadequate transportation facilities—whether bus, subway, or railroad commuter service—as well as stepped-up construction of roads, bridges and tunnels to accommodate mushrooming auto traffic. Additional investments in facilities to support metropolitan growth is essential: schools, colleges, hospitals, health centers, playgrounds, and recreation buildings, welfare institutions, sewer, and waterplants and waterlines.

In short, the housing bill and the measures which are peripheral to it are making the largest single contribution to the war on poverty and the decrease in unemployment.

I ask unanimous consent to have printed in the RECORD, at this point in my remarks a press release issued by Dr. Peter Wagner of the National Planning Association on his testimony before our Subcommittee on Employment and Manpower, in which he discusses in greater detail the contribution which housing, urban redevelopment, and like programs make to the war on poverty and the decrease in unemployment.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

PRESS RELEASE OF PETER WAGNER, NATIONAL PLANNING ASSOCIATION (ON TESTIMONY BEFORE THE CLARK SUBCOMMITTEE ON EMPLOYMENT AND MANPOWER)

A comprehensive 20-year urban development program—which would include both public and private investment—could create about 3 million additional jobs yearly in the process of raising housing standards and improving metropolitan facilities, Dr. Peter Wagner testified today before the Senate Subcommittee on Employment and Manpower.

Dr. Wagner is an economist with the National Planning Association and has based his testimony on studies made at the National Planning Association, but his policy conclusions are his own.

Such a program, said Dr. Wagner, would insure employment of a high proportion of the relatively low-skilled workers seeking employment and at the same time could eliminate the Nation's current backlog of nearly 8 million substandard urban dwelling units. The program would also allow for improvement of mass transit systems and highways and meet demands for schools, colleges, hospitals, and other community facilities.

Dr. Wagner told the subcommittee that "only an increase in aggregate demand through policies featuring tax reductions, investment incentive to private business, and judicious expenditure programs can hope to make a significant dent in our unemployment problem." "What is needed," he said, "is a general policy of promoting economic growth by means of a series of specific programs designed to meet unfilled needs in a variety of areas." Training programs teaching new skills to the unemployed or to newcomers to the labor force could then be adapted to fit the requirements of each of these programs, he continued.

"Urban development," Dr. Wagner said, "is one of the most obvious areas where unfilled needs exist. The cost of eliminating slums and substandard housing, and improving urban living conditions would average between \$120 and \$125 billion annually over a 20-year period," he estimated. "Naturally," he said, "the amount spent would be much smaller than this average figure in the initial years of the program and would grow higher as the program gained momentum."

Dr. Wagner said he anticipates that 70 percent of the investment in urban development would be devoted to private uses and nearly all the funds needed would come from private sources. "Financing of public projects," he said, "could be done by improving the methods already in use, limiting the extent of Federal grants as much as possible. A sizable proportion of the sums for public projects would also come from private sources," he noted.

Dr. Wagner recommended consideration of a variety of measures to encourage private investment in urban development. He suggested that special encouragement be given projects complying with regional or metropolitan development plans by the granting of partial tax exemptions for limited periods and accelerated depreciation allowances. "In special cases," he said, "consideration could be given to the provision of interest subsidies or outright repair or rent subsidies. He also suggested measures to make mortgage investments more liquid and desirable."

Dr. Wagner said the shift in resources necessary to support such a program would be quite moderate, especially since it would

take place gradually over a 20-year period. "We are now spending very roughly more than 10 percent of our gross national product on urban development," Dr. Wagner said, "and this figure does not fully reflect amounts spent on repair and maintenance. Assuming a 4-percent annual rate of growth," he continued, "only about 2 to 3 percent of the Nation's resources would have to be shifted over the 20-year period to meet the needed urban development program."

"It must be realized," he concluded, "that the pursuit of a vigorous policy to help a pivotal sector such as construction will itself lift our gross national product and promote economic growth through its widespread indirect effects, and this makes such a policy eminently desirable as a national objective."

Mr. CLARK. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Downtown Renewal Pays Off in Solid Cash Dividends: Pittsburgh Triangle Proves It," published in the Harrisburg Patriot-News.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Harrisburg Patriot-News, July 25, 1964]

PITTSBURGH TRIANGLE PROVES IT: DOWNTOWN RENEWAL PAYS OFF IN SOLID CASH DIVIDENDS

A study of downtown Pittsburgh's real estate values has provided in precise figures what the people of that city already knew in general and what the people of cities like Harrisburg should have learned some time ago:

Redevelopment pays off.

The study presents an analysis of assessed valuations in Pittsburgh's Golden Triangle since the early thirties. It was made in connection with the preparation of a new 20-year master plan for that downtown area. Here is what it shows:

In 1935 the Triangle had a peak real estate value of approximately \$340 million, slightly more than 23 percent of the total assessed valuations in the city.

By 1950 the value of Triangle property had dropped to less than \$215 million, 18 percent of the city total.

By 1960, after a decade of pioneer work in urban renewal, the Triangle's real estate values had climbed back to a point just below \$322 million. This was 20 percent of the city total.

Like the downtowns of all cities, the Golden Triangle represents a tax source out of all proportion to the amount of land it covers. Producing one-fifth of Pittsburgh's real estate tax revenue, the Golden Triangle occupies only 1.6 percent of the total city land area.

It is obvious, said that city's regional planning association, that the Golden Triangle "is a highly concentrated portion of the tax base of both the city and county and that the economic health of the central business district becomes an extremely important factor to both the city and county."

Sounds familiar, doesn't it? It's almost as if Harrisburg were once again listening to the arguments for, as well as the arguments against, downtown renewal.

Pittsburgh is not unique. Neither is Harrisburg. Every American city faces the same economic forces in relation to its downtown center and the same choice of whether to set in motion the counterforces necessary to reverse the process of decay.

Pittsburgh made its choice years ago. It has every reason to be happy about it today

and to keep moving in the same direction. The object lesson it learned could well be studied by other communities, large and small.

Mr. CLARK. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter to Hon. James H. J. Tate, mayor of the city of Philadelphia, signed by Gustave G. Amsterdam, chairman of the Philadelphia Redevelopment Authority, pointing out the economic impact of the renewal program in our city.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

III. ECONOMIC BENEFITS OF URBAN RENEWAL—
LETTER OF GUSTAVE G. AMSTERDAM, CHAIRMAN, PHILADELPHIA REDEVELOPMENT AUTHORITY, TO MAYOR JAMES H. J. TATE

The Honorable JAMES H. J. TATE,
Mayor, City of Philadelphia, City Hall, Philadelphia, Pa.

DEAR MAYOR TATE: This annual report of the redevelopment authority for the year 1963 tells an exciting story of Philadelphia's progress in regaining front rank among the world's great cities. It is with pride that I present it to you.

Aside from the great changes for the better in the appearance of our city and the benefits that accrue to our citizens from the increased activity, I would like to point out the dollars-and-cents returns.

In 1963, the renewal program resulted for the first time in a net gain to the city's assessment rolls. The increase was only \$4 million; but in 1964 another \$22 million will be added, and the new assessments will have balanced out all the blighted property removed from the lists by urban renewal since the beginning of the active program in 1951.

These benefits continue to add up. By 1969, we will have increased assessments by more than \$91 million over the total before renewal, bringing in about \$3.7 million additional each year in school and city taxes. Eventually, this net gain in assessments should reach nearly \$300 million.

The authority continued its activities in the field of human welfare, notably in rehousing and in the experimental program to rehabilitate the people of skid row.

There is one warning I feel impelled to sound. A number of large families required to move from renewal areas need homes with four, five and more bedrooms. I urge that steps be taken now to provide more low-rental housing for these large families, and so avert a possible slowing down of the renewal program for want of it. Without this, a program of rent subsidies will undoubtedly be needed.

I am sure that with your continued forward-looking leadership this will be worked out and the urban renewal program will continue to raise Philadelphia's pride and morale.

Very truly yours,
GUSTAVE G. AMSTERDAM,
Chairman.

Mr. CLARK. Mr. President, I thank the Senator from Alabama for yielding to me. Again, I commend him for the excellent work he has done in bringing the bill to passage.

Mr. SPARKMAN. I thank the Senator from Pennsylvania.

Mr. DOMINICK. Mr. President, will the Senator from Texas yield time to me?

Mr. TOWER. Mr. President, I yield to the Senator from Colorado six minutes on the bill.

Mr. DOMINICK. I may not use all the time, but I invite the attention of the Senator from Alabama to certain problems that have arisen under the Housing Act.

Brief mention—and I think it was only relatively brief—was made by the National Association of Homebuilders, when they testified in February, to a problem which can be summarized in this way.

When someone builds a rental unit and receives an FHA mortgage and insurance on it, and then the income level of the area where the building is located changes and is reduced, the person, if the building has been built within an urban renewal area, can refinance and get a much lower interest rate and keep going.

On the other hand, if the building is not located in an urban renewal area, he cannot do that, thereby risking one of two things. Either he must let the whole works go, either under foreclosure or sale, or maintain his rentals where they were, as they were originally intended to amortize the mortgage. The result is that the rents are such that the people in the area cannot use the building. The situation becomes difficult for such a person; and it should be remembered that the building is Government-insured.

I shall give an example that has occurred in our State. A project consisting of some 94 units was completed in 1962 at a cost of over \$1 million. The mortgage was for a large amount, approximately \$890,000; but there was a substantial remaining private investment in the project. The units were rented at about \$125 each.

Later the whole character of the area changed, and a group of low income people moved in. At that time the person concerned spoke to the FHA Administrator in our area about building another unit in the area to take care of the low income group that had moved in. The FHA Administrator asked the owner why he did not refinance the existing unit instead of building another one, so that he could fill the vacancies he then had, and by doing so obtain refinancing under the existing program. When the owner looked into the situation, he found that he could not do that, because the building was not in an urban renewal area.

I understand that problems arise in such a situation. If refinancing of all types of existing projects were permitted, what would be the cost? How would a determination be made, for example, as to which one had a legitimate reason and which did not? A number of questions might properly be developed by the Housing Subcommittee.

I call this to the attention of the chairman because it indicates clearly that the proposition of Federal financing creates obligations and inequities in many areas, and in many cases there is no opportunity to deal with the programs equitably across the board.

My colleague from Colorado [Mr. ALLOTT] has been interested in this situation; and within my time limitation, I should like to yield to him.

Mr. ALLOTT. Mr. President, I ask unanimous consent that my colleague may yield to me within the time that has been allotted to him.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLOTT. Mr. President, my colleague has stated the problem well. This situation was brought to the attention of both of us several months ago. We have attempted to place it before the committee, but apparently have not been able to do so successfully.

Before the last meeting of the committee, I asked the distinguished Senator from Texas [Mr. TOWER], who is in the Chamber, to submit for the consideration of the committee an amendment which would strike out the words "located in an urban renewal area" from section 223(b) of the National Housing Act. This would then permit a building to be refinanced in the manner suggested by my colleague from Colorado. Both of us are much concerned about this situation because it relates to an area occupied by low-income people. The project which the Government created gave every promise of being successful when it was built. But now the people who have moved to the area cannot pay this amount. This is the only way in which the situation can be corrected, unless the Government wants to put up the money for the guarantee.

It is my understanding, if I may direct this remark to the chairman of the committee, that the committee did not act favorably on the amendment.

Mr. SPARKMAN. That is correct. There are some complications about this matter. I am not sure that the Senator's approach is the best way to relieve the problem, but I feel the FHA may reach a solution that will give relief in the situation that has been described by the Senators from Colorado. I believe the FHA will become actively interested in it and may be able to devise a better approach.

Mr. ALLOTT. Mr. President, will my colleague yield further?

Mr. DOMINICK. I yield.

Mr. ALLOTT. It is my understanding that the FHA feels that it cannot take such action without an amendment such as we have suggested. It is felt that it cannot act under the present law, within the circumstances I have described.

Mr. SPARKMAN. There are some provisions in the bill that might make it possible for the FHA to find a solution. For example, there is a provision which gives the FHA power it has not heretofore had, which we speak of as the power of forbearance with respect to the foreclosing of mortgages. In other words, we are, in effect, directing the FHA to reach settlements for the removal of distressed conditions.

At any rate, I assure the Senators from Colorado, both of whom spoke to me about this problem—at least, Senator ALLOTT did, and Senator DOMINICK was present in the committee—that I shall do my best to have the FHA arrange to have this problem settled administratively, or, in the absence of administrative action, to submit to Con-

gress suggested language that could be included in a housing bill to improve the situation. Anything that I can do to be of assistance, I shall be glad to do.

Mr. ALLOTT. I appreciate the Senator's cooperation.

Mr. DOMINICK. Does the chairman mean to indicate by his comments that in his opinion the amendments in the present bill will be beneficial in solving the problem I have just outlined?

Mr. SPARKMAN. They might; but I am sure the Senators from Colorado realize that they are attempting to amend section 221(d)(3), which relates to a special class of housing, and would in effect, permit refinancing of section 207 housing under that special class. They are two different classes entirely, and if we established such a precedent, we have no idea of just how far reaching such refinancing might become. This is a problem that needs more attention than has been given to it.

Mr. DOMINICK. I realize that. I realize also that there are complications. But in view of the indication that I received a few minutes ago, I wished to make it as clear as I could that I understand the Senator from Alabama will be making every effort, along with us, to try to devise some method to have the administrative heads of FHA do something about this particular situation, and will continue to see what can be done to remove inequities which might be easily created in other areas under similar circumstances.

Mr. SPARKMAN. I certainly will act to do what I can. The Senator from Colorado has been a member of the committee. He fully understands the problem. I will do my best, and the Housing Subcommittee staff also stands ready to help.

Mr. DOMINICK. I much appreciate the courtesy of the Senator from Alabama in this regard.

Mr. ALLOTT. Mr. President, I presume—and I am addressing myself to the chairman of the subcommittee—that he is particularly referring to the discussion of section 505 in the bill, which appears in the committee report, beginning on page 39 and thereafter, and that this is what he has in mind when he believes that there may be some possibility of accomplishing the desired result under the present bill.

Mr. SPARKMAN. Perhaps. Let me point out that in developing any kind of program—and this is certainly true in housing—a great deal is done by trial and error. This is a new approach which we are taking. We do not know. It may be that operations between now and next summer, the time when the next bill will come up, will show us that some changes will need to be made, or it may be that it can be worked out under the language now written in the bill. If not, we hope that we can change it.

Mr. ALLOTT. I thank the Senator from Alabama.

Mr. STENNIS. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I am glad to yield to the Senator from Mississippi.

Mr. STENNIS. I have one or two questions. I invite the attention of the

Senator to section 502 of the bill. Although the number is immaterial, it is the part which has to do with rural dwelling house financing. As I understand it, the committee put in \$150 million in contract authority.

Mr. SPARKMAN. Additional.

Mr. STENNIS. Additional contract authority. Is that the proper term?

Mr. SPARKMAN. That is lending authority.

Mr. STENNIS. Lending authority, yes.

Mr. SPARKMAN. That is correct.

Mr. STENNIS. I am advised by the Department that there will be \$22 million on hand as of the end of September 1964, which is the end of this quarter.

Mr. SPARKMAN. The Senator is correct.

Mr. STENNIS. Which will make \$172 million of lending authority available for the following 15 months; is that correct?

Mr. SPARKMAN. Until October 1, 1965.

Mr. STENNIS. Until October 1, 1965. Even though that sum is below what the applications are for, this will be a sizable program. As one interested in this matter, I thank the Senator and his committee for the attention they are giving it.

Mr. SPARKMAN. It represents a continuation at present levels, which is what we did. We know that the backlog is another factor.

Mr. STENNIS. That is approximately the present level?

Mr. SPARKMAN. The Senator is correct.

Mr. STENNIS. But, at the same time, has there not been a holding back of funds in lending authority from quarter to quarter which really is crippling this program so far as the need and use it can be put to are concerned?

Mr. SPARKMAN. The Senator is correct. The Bureau of the Budget has put a restriction on it.

Mr. STENNIS. Is it not further true that some orderly and regularly releasing lending authority by the Budget Bureau is absolutely essential to success in the operation of the plan?

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired.

Mr. SPARKMAN. Mr. President, I yield 30 seconds to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for an additional 30 seconds.

Mr. SPARKMAN. The Senator is correct. It is not necessary.

Mr. STENNIS. I trust that those who are handling the bill will emphasize that fact and will get the Budget Bureau to conform its action to what has proved to be the legislative will on the program.

Mr. SPARKMAN. I surely will. In the past, on various occasions, I have addressed letters to the President of the United States—both to the late President Kennedy and President Johnson, inviting their attention to the limitation being placed on the program by the Bureau of the Budget and the resulting logjam which develops when that goes into effect.

Mr. STENNIS. Is it not true that last year we put in \$25 million in appropriation bills?

Mr. SPARKMAN. The Senator is correct.

Mr. STENNIS. This was done to supplement the fund. This is one of the smallest, but at times the most neglected, parts of the program.

Mr. SPARKMAN. The Senator is correct. It is one of the best programs we have. It is a small, but a good one, and one of which the Senator from Mississippi has been a stalwart friend.

Mr. STENNIS. I thank the Senator. But, is it not true that no money has been lost, and that all these loans are current, really even to the interest?

Mr. SPARKMAN. The Senator is correct.

Mr. STENNIS. I thank the Senator.

Mr. SIMPSON. Mr. President, will the Senator from Texas yield?

Mr. TOWER. Mr. President, I yield 10 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 10 minutes.

Mr. SIMPSON. Mr. President, some of us oppose this housing bill and are sorry that additional authorization has been recommended by the Banking and Currency Committee. I feel that all members of the committee are in agreement that the whole program for Federal housing and urban redevelopment needs to be reviewed and rewritten so that we can have a more workable and practicable piece of legislation concerning such an important and far-reaching segment of our national economy. Many of us would like to have curtailed many of the programs which cannot be justified, and others on the committee wanted to expand and enlarge the coverage of the bill.

It is my understanding that the subcommittee determined that the wisest course of action would be to extend the existing authority for another 15 months so that politics would not be the determining factor in rewriting this major piece of legislation. I believe that there is some wisdom to that decision, because certainly we have seen the crippling effect that "cheap political motivation" can have on legislation which is being considered.

Large sums of our taxpayers' dollars are wasted on unwise programs authorized by the Housing Act that appear to be put forth as "political bait" or to cover up administrative inefficiencies.

It appears to me that the Housing Act is to the big cities the "pork barrel legislation" that public works legislation is to other groups. We must realize that all of our problems cannot be solved by just pouring out more taxpayers' dollars.

The Banking and Currency Committee has failed to recommend and the Congress has not established formulas, incorporating objective criteria on nationwide needs, for allotting subsidy grants. Because we have not established a criteria, the cities which are most adept and have the more skillful administrators, and these are usually the more

wealthy cities—get most of the Federal money.

A recent study showed that the more well-to-do communities of the Nation are getting Federal urban renewal and public housing subsidies equivalent to more than \$10,000 for each of their substandard housing units, while many less well-to-do localities are getting nothing.

Other better off communities are getting subsidies equivalent to more than \$7,000 for each of their under \$4,00 income families, while many poor areas are getting nothing. This is most disturbing because Federal taxes are levied in all areas of the Nation. If tax funds from all localities contribute toward payment of Federal urban renewal and public housing grants, it follows that the better off localities are being subsidized at the expense of those worse off. This is intolerable. It is in direct opposition to the fundamental beliefs of the American people.

The State of Wyoming is placed at a distinct disadvantage under the Federal urban renewal and public housing subsidy programs.

The localities of Wyoming received no Federal urban renewal or public housing subsidies whatsoever. This is, of course, traceable to the fact that the subsidies are granted under a complex method involving self-made local claims of need for Federal funds, rather than on the basis of a congressionally established formula reflecting actual conditions throughout the Nation.

Although Wyoming received none of the Federal urban renewal and public housing subsidy funds, it did bear a burden for support of these programs. The cost to Wyoming for support of the Federal urban renewal and public housing programs, through June 30, 1962—according to the tax distribution formula computed by the Tax Foundation, the National Chamber, and the Council of State Chambers of Commerce—was about \$2,930,000; about one-tenth of the amount of money required to operate our State for a whole biennium.

Charging the people of Wyoming almost \$3 million to support these Federal programs might be defensible, if they had been generally working to help the less fortunate communities of the United States. But they were not. Across the Nation, the Federal urban renewal and public housing subsidy funds were flowing toward the better off localities at the expense of the poorer ones.

In the United States as a whole, the results of the Federal urban renewal and public housing subsidy programs are contrary to public policy. The subsidies on the average, have not been going to areas of greater need, but to those of lesser need; the subsidies have been tending to give more help in the States having the greater financial resources, not in those having lesser financial resources; the subsidies have been tending to give more help, not in the States utilizing the greater proportions of their own fiscal capacities, but in those utilizing lesser proportions of their own fiscal capacities.

These facts clearly demonstrate that new solutions to the public financing of

housing and urban developments must be worked out. We must redraft a whole new housing act, if we are to be realistic in handling the problems confronting America. I am hopeful that the Congress will direct its attention next year to find an equitable and efficient method to finance necessary improvements and necessary elements. Because this bill continues, and in fact, enlarges upon a program which is unfair to and of unequal application to the American people and gives no assistance to States like Wyoming, I shall oppose the bill.

Mr. JAVITS. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. Mr. President, I yield 3 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. JAVITS. Mr. President, this is a very significant housing bill because through it a great program is being continued. We have no illusions about any new initiatives which are being taken in this bill. There are no major initiatives in this bill. I know that the chairman shares with others on the committee—especially those from the big urban centers—the fact that we shall soon have to undertake some major initiatives. I believe that they can be undertaken without necessarily spending money, but instead by bending the coordinating capability of the Federal Government to more effective use of resources which are potentially available for housing.

There is no gainsaying that we cannot hide the great need under a bushel, that urban situations such as the recent riots in Harlem are very heavily attributable to the fact that housing is miserable. We have tried hard; certainly the State of New York is a leader in the United States in the effort to afford people decent housing. But try as we will, slums seem just about to keep pace with the housing we create.

It would be infinitely worse if we did not have these programs at city, State, and Federal levels of government. But we do need major initiatives which will help more quickly to break the back of segregated housing, housing which just does not represent common humanity to individuals.

We have tried, in this bill to improve existing programs, although it is not a major move along that road. I hope that a major one will be made next year. Certainly it is urgently due—and long overdue.

I have mentioned the middle income housing field, where several hundred thousand more units can be created in the country. The entire program could be revamped along the lives of the program in New York for middle income housing, which involves real property tax abatement and acceptance of lower interest rates on money.

But laying that aside, we have tried in this bill to make some contribution within the ground rules prescribed by our most distinguished and able chairman, who has dealt with this subject so constructively in this matter.

I count the principal contribution to be code enforcement, concerning which the Senator from Illinois has so graciously spoken in connection with me. The inclusion of this idea in the workable program concept for urban renewal can have probably as important an effect as anything in checking deterioration into slums. It is unbelievable that in this day and age there should be so relatively little code enactment and code enforcement in areas of the country which could vastly benefit from such codes.

We seemingly have been unable to get back of this idea in the techniques we have used. So the committee has now said that in 3 years it wants to see real action. By including this in the "workable program" concept, the committee wants this program made to work.

I point out to my Republican colleagues that this idea emanated from Representative WIDNALL's substitute bill in the other body, the Republican housing bill. It was one of the most dearly held objectives of former Senator Capehart when he was chairman and ranking Republican member of the Committee on Banking and Currency. It is a significant achievement of the bill.

We are also dealing in the bill with substantial defects in FHA-insured housing by getting the FHA to take care of those relatively few cases in which the builder does not take care of them. I think it is a very desirable measure of justice. Senator GRUENING and I have worked hard on it and both introduced bills on the subject. I thank Senator DOUGLAS for calling attention to it.

I would also like to mention the additional relocation assistance that was provided for small business. Also, we have begun a limited experiment in relocation assistance through rent supplements for low- or moderate-income families and elderly individuals. We shall be watching it very closely to see if it is deserving. I have no pronounced opinion about it at the moment. But I think it is a useful experiment in an area in which we have justification for trying it.

Finally, the treatment of air rights sites for housing as urban renewal, which the bill authorizes, is a very enterprising move taken by the committee. Governor Rockefeller has been the leading exponent of this concept, particularly in the city of New York. Air sites may be extremely useful in crowded urban areas if they can be treated as urban renewal sites. I invite my colleagues to come to the city of New York to see the high-rise apartment buildings in which the concept of air sites has been utilized.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. SPARKMAN. Mr. President, I am ready to yield back the remainder of my time. But before doing so, I pay my respects to the Senator from Texas for the wonderful cooperation that he gave in the subcommittee, in the full committee, and on the floor of the Senate in connection with this bill.

Mr. JAVITS. Mr. President, before the Senator yields back the remainder of his time, I would like to have the privilege of joining him in extending

thanks to the Senator from Texas [Mr. TOWER].

Senator TOWER has done most constructive work, consistent with his principles. He has not attempted to block the measure for the sake of blocking it. I think we ought to be grateful for having a colleague who can honestly and effectively oppose something and yet not stand in the way of the majority of the Senate once the Senate is ready to vote.

Mr. SPARKMAN. The position of the Senator from New York [Mr. JAVITS] is one of constructive support. The Senator from New York and I know that he has some amendments that he has held back for hearings next year.

Mr. JAVITS. Exactly.

Mr. SPARKMAN. He has been fine to work with, most cooperative, and most helpful.

Mr. JAVITS. Mr. President, I thank the Senator.

Mr. TOWER. Mr. President, I thank my distinguished colleagues, the Senator from Alabama [Mr. SPARKMAN] and the Senator from New York [Mr. JAVITS], for those very kind words. I express my appreciation to the chairman and to the committee for its very fine spirit of cooperation.

Even though I might disagree with some aspects of the measure, I am willing to take the comment of Grantland Rice to heart, when he said, "It matters not how you won or lost, but how you played the game."

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 3049) was passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1965

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1183, H.R. 10199, the District of Columbia appropriations bill.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. The bill (H.R. 10199) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1965, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to and the Senate proceeded to consider the bill (H.R. 10199), which had been reported from the Committee on Appropriations with amendments.

On page 2, line 2, after the word "and", to strike out "\$37,500,000" and insert "\$41,000,000".

On page 3, line 15, after the word "Commissioners", to strike out "\$18,677,000" and insert "\$18,935,000"; in line 18,

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D.C. 20250

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OFFICE OF
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For actions of Aug. 5, 1964

88th-2nd; No. 151

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HIGHLIGHTS: House Rules Committee reported resolution to send meat-import restriction bill to conference and Rep. Roosevelt commended this action. House began debate on poverty bill. House committee reported housing bill. Senate committee voted to report land and water conservation fund bill. Senate committee reported public works appropriation bill. Senate passed independent offices appropriation bill.

SENATE

1. INDEPENDENT OFFICES APPROPRIATION BILL, 1965. Passed as reported this bill, H. R. 11296. Conferees were appointed. pp. 17509-15, 17528-35, 17544-7, 17554-77
2. RECREATION. The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 3846, to establish a Land and Water Conservation Fund to assist in the improvement of outdoor recreation facilities. p. D642

Passed as reported S. 2048, to provide for the establishment of the Bighorn Canyon National Recreation area. pp. 17577-8

Sen. Metcalf inserted a speech urging that "all of us must shift our outdoor recreation emphasis from the national panorama to specific projects which will improve our local communities." pp. 17490-1

3. PUBLIC WORKS APPROPRIATION BILL, 1965. The Appropriations Committee reported with amendments this bill, H. R. 11579 (S. Rept. 1326). p. 17482
4. PERSONNEL. A subcommittee of the Post Office and Civil Service Committee approved for full committee consideration S. 1974, to amend the Federal Employees' Group Life Insurance Act with regard to designation of beneficiary. p. D643
5. BUDGET. Sen. Williams, Del., criticized the rising number of Federal employees and called "the Kennedy-Johnson administration...the most extravagant regime that has ever occupied the White House." p. 17485
6. NATIONAL DEBT; TAXATION. Passed as reported S. 2281, to clarify the components of, and to assist in the management of, the national debt and the tax structure. pp. 17585-8
7. ELECTRIFICATION. Sen. Metcalf called for greater Federal participation in the interregional transmission system and inserted an article by Sen. Neuberger in a similar vein, "Surrender in the West." pp. 17489-90
Sen. Morse inserted a corrected version of his speech delivered Aug. 4, 1964, on electric power in the Pacific Northwest. pp. 17537-44
8. FOREIGN AID. Sen. Long, Mo., called the foreign aid program "an effective weapon in today's struggle between freedom and communism" and outlined the contribution of various Mo. universities to the AID program. pp. 17506-7
9. FEDERAL-STATE RELATIONS. Sen. Hill inserted a speech by Sen. Muskie, "Intergovernmental Relations" calling for the three levels of government to work together. pp. 17589-91
10. WATER. Sen. Morse spoke against Westlands water distribution system contract and inserted statements which "establish beyond a doubt its illegality under existing reclamation laws." pp. 17493-503
HOUSE
11. POVERTY. Began debate on H. R. 11377, the poverty bill. pp. 17610-52
12. MEAT IMPORTS. The Rules Committee reported a resolution to send to conference H. R. 1839, the meat-import restriction bill (p. 17668), and Rep. Roosevelt commended this action (pp. 17595-6).
Rep. Nelsen inserted his testimony before the Rules Committee in favor of a resolution for House concurrence in the beef-import amendments adopted by the Senate to H. R. 1839. pp. 17656-7
13. AUTOMATION. Concurred in Senate amendments to H. R. 11611, to establish a National Commission on Technology, Automation, and Economic Progress. This bill will now be sent to the President. p. 17610
14. HOUSING. The Banking and Currency Committee reported without amendment H. R. 12175, to extend and amend laws relating to housing, urban renewal, and community facilities (H. Rept. 1703). p. 17668

HOUSING ACT OF 1964

AUGUST 5, 1964.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. PATMAN, from the Committee on Banking and Currency,
submitted the following

R E P O R T

[To accompany H.R. 12175]

The Committee on Banking and Currency, to whom was referred the bill (H.R. 12175) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

WHAT THE BILL WOULD DO

Generally, the bill would provide additional authorizations and funds to continue existing federally assisted housing programs for another year. In addition, the bill contains a number of amendments designed to improve FHA sales and rental housing programs and to improve the operation of the urban renewal program. The bill's major features are as follows:

Title I of the bill would permit lower down payments and higher mortgage amounts on FHA sales housing, and would provide additional protection against foreclosure for FHA homeowners.

Title II would authorize additional funds for low interest direct loans for rental housing for the elderly, and would provide new housing aids for the handicapped.

Title III would (a) authorize an additional \$600 million for grants under the urban renewal program, (b) tighten the urban renewal program requirements to encourage more rehabilitation and code enforcement, (c) provide a new program of rehabilitation loans to aid homeowners and businesses in urban renewal areas to improve their properties, and (d) tighten relocation requirements and provide additional relocation benefits to displaced businesses, nonprofit organizations, individuals, and families.

Title IV would authorize 35,000 additional units of low-rent public housing.

Title V would authorize an additional \$150 million for direct loans under the rural housing program administered by the Farmers Home Administration.

Title VI would authorize a limited grant program to encourage on-the-job training and short-term courses of instruction to provide the skills needed for local administration of urban programs.

Title VII would provide an additional \$20 million for the public works planning advance program.

Title VIII would broaden the investment authority of savings and loan associations.

Title IX would provide an additional \$25 million for grants for the open space (parks and playgrounds) program.

BACKGROUND OF THE BILL

On January 27, 1964, the President transmitted his housing message to the Congress and recommended enactment of the administration's Housing and Community Development Act of 1964. During the 2 weeks' period February 17 through 27, the Subcommittee on Housing held intensive hearings on the administration's bill, H.R. 9751, introduced by Mr. Rains, chairman of the subcommittee, and related bills, including H.R. 9771, introduced by Mr. Widnall, the ranking minority member of the subcommittee.

Expert testimony was received covering all phases of the Government's role in the housing and home financing field. The subcommittee heard detailed testimony from the Housing and Home Finance Administrator and the heads of constituent agencies, and the Farmers Home Administrator. Witnesses reflecting the viewpoints of the homebuilding, real estate, and mortgage lending industries, labor organizations, civic groups, mayors, cooperative groups, and others, provided the subcommittee with the benefit of their recommendations.

The Subcommittee on Housing met in executive session on July 29 and 30, and approved an amended bill by the unanimous vote of 11 to 0. As directed, the chairman (Mr. Rains) introduced a clean bill (H.R. 12175) embodying the provisions agreed on by the subcommittee, and an identical bill (H.R. 12177) was introduced by the ranking minority member (Mr. Widnall). The bill as reported by the subcommittee incorporated a number of provisions from H.R. 9771 as well as most of the recommendations in the administration bill. In the case of several new proposals in the administration bill—for example, the proposal for a new FHA insurance program for subdivision development and the development of new satellite communities—the subcommittee recommended that their complexity and far-reaching nature required further study. Testimony during the hearings made it clear that some public and private housing groups felt they had not had sufficient time to consider some of these new and complex proposals and the subcommittee recommended that the committee defer action pending further investigation and study. In view of these circumstances and because of the short time remaining before adjournment, it was the consensus of the committee that the general pattern of the bill should be to extend, either by date or by the addition of funds, existing housing programs for a period of approximately 1 additional

year. The bill recommended by the subcommittee also contained additional provisions to improve and perfect Government-assisted housing programs on those matters on which the subcommittee felt the hearing record justified committee action at this time.

The full Banking and Currency Committee met in executive session on August 5, and agreed to report H.R. 12175 as recommended by the subcommittee without change. The bill received broad bipartisan support and was reported from committee by a rollcall vote with 18 votes in the affirmative, 1 no, and 4 members voting present.

TITLE I—AMENDMENTS TO THE NATIONAL HOUSING ACT

Liberalization of FHA home mortgage terms

The dollar limits would be increased on the amounts of home mortgages insured by FHA under its regular section 203 program for one- to four-family structures, its urban renewal housing program (sec. 220), its program of low-cost housing for outlying areas (sec. 203(i)), and its condominium program (sec. 234). The following table shows the present and proposed limits under each program:

Dollar limits on home mortgages

| | Regular program, sec. 203 | | Urban renewal housing, sec. 220 | | Outlying areas, sec. 203(i) | | Condominium, sec. 234 | |
|---------------|------------------------------|----------|------------------------------------|----------|--------------------------------|----------|--------------------------|----------|
| | Present | Proposed | Present | Proposed | Present | Proposed | Present | Proposed |
| 1 family..... | \$25,000 | \$30,000 | \$25,000 | \$30,000 | \$9,000 | \$11,000 | \$25,000 | \$30,000 |
| 2 family..... | 27,500 | 32,500 | 27,500 | 32,500 | ----- | ----- | ----- | ----- |
| 3 family..... | 27,500 | 32,500 | 30,000 | 32,500 | ----- | ----- | ----- | ----- |
| 4 family..... | 35,000 | 37,500 | 35,000 | 37,500 | ----- | ----- | ----- | ----- |

The increased dollar limits for the sections 203, 203(i), and 234 programs were requested by the administration. Your committee has made these increases in dollar limits applicable also to the section 220 home mortgage insurance program for housing in urban renewal areas. These limits are presently the same as the section 203 program, and your committee sees no reason for not continuing this parity.

The increase in the limits on the amounts of home mortgages is made necessary by the higher average cost of home building and the increasing number of families who desire larger or better homes than they can now purchase with FHA-insured mortgages. Under the present law, the \$25,000 limit on the amount of a home mortgage makes an FHA-insured mortgage unavailable to many home purchasers, particularly those in high-cost areas and those with large families.

The increase to \$11,000 in the present ceiling of \$9,000 on the mortgage amount for low-cost housing in outlying areas is essential if this program is to continue. Under this program FHA insures home mortgages on houses in outlying areas and small towns where the homes meet less stringent property and other requirements than are required by FHA for homes in built-up areas. A low ceiling is practical to keep the homes within the reach of lower income families. However, the entire purpose of the program is defeated when the ceiling becomes so low that it is unworkable. The present \$9,000

limit on the amount of a mortgage has made this program unworkable at this time.

The downpayments required when a home is purchased with an FHA-insured mortgage would also be reduced by the bill when the mortgage is insured under the regular section 203 home mortgage program, the section 220 program for housing in urban renewal areas, or the program for condominiums. This would be accomplished by changing the loan-to-value or replacement cost ratios provided in the present law.

The downpayment requirements under the section 203 program would be reduced from 10 to 7½ percent of the amount of value between \$15,000 and \$20,000 and from 25 to 20 percent of the amount of value above \$20,000. The downpayment on the first \$15,000 of value would remain at 3 percent for new homes but be reduced from 10 to 8 percent for existing homes. The same changes would be made in the section 220 mortgage insurance program for housing in urban renewal areas except that the downpayment under that program would continue as under present law to be based on the ratio of loan-to-replacement cost rather than loan-to-value.

In the case of the purchase of a dwelling unit in a condominium the minimum required downpayment would be 3 percent of the first \$15,000 of the family unit's appraised value, plus 10 percent of that value above \$15,000 but not in excess of \$20,000 plus 20 percent of its value above \$20,000.

The following tables show the changes that would be made in the downpayments under the three programs:

| | Regular home mortgages sec. 203, ratio loan to value | | Urban renewal housing sec. 220, ratio loan to replacement cost | |
|----------------------------|---|---|---|---|
| | Present | Proposed | Present | Proposed |
| 1st \$15,000 of value..... | New homes 97 percent. Existing 90 percent. | New homes 97 percent. Existing 92 percent. | New homes 97 percent. Existing 90 percent. | New homes 97 percent. Existing 92 percent. |
| \$15,000 to \$20,000..... | 90 percent..... | 92½ percent..... | 90 percent..... | 92½ percent. |
| Over \$20,000..... | 75 percent..... | 80 percent..... | 75 percent..... | 80 percent. |

Purchase of a dwelling unit in a condominium (sec. 234)—Ratio of loan to value

| Present: | Percent | Proposed: | Percent |
|----------------------------|---------|----------------------------|---------|
| 1st \$13,500 of value..... | 97 | 1st \$15,000 of value..... | 97 |
| \$13,500 to \$18,000..... | 90 | \$15,000 to \$20,000..... | 90 |
| Over \$18,000..... | 70 | Over \$20,000..... | 80 |

Maximum amounts of rental housing mortgages

All of the FHA multifamily housing programs (secs. 207, 213, 220, 221, 231, and 810) would be amended to substitute for the present dollar limit per room on the maximum amount of an insured mortgage, a new limit which would be based on the number of family units in the project with dollar limits on the units varying with the number of bedrooms in each unit.

The tables below show the proposed new dollar limits per family unit which could be increased by the Commissioner by not to exceed 30 percent in high-cost areas:

Proposed family unit limits on multifamily housing mortgages¹

| | Secs. 207, 213, 220, 234, and 810 ² | | Secs. 221 and 231 | |
|-----------------|---|----------|-------------------|----------|
| | Walkup | Elevator | Walkup | Elevator |
| 0 bedrooms..... | \$9,000 | \$10,500 | \$8,000 | \$9,500 |
| 1 bedroom..... | 12,500 | 15,000 | 11,250 | 13,500 |
| 2 bedrooms..... | 15,000 | 18,000 | 13,500 | 16,000 |
| 3 or more..... | 18,500 | 22,500 | 17,000 | 20,000 |

¹ Sec. 207, regular rental housing; sec. 213, cooperative housing; sec. 220, urban renewal housing; sec. 810, rental housing for military, NASA and AEC; sec. 221, low- and moderate-income housing; sec. 231, rental housing for elderly; and sec. 234, condominiums.

² No higher limits are provided for elevator-type structures under the sec. 810 program.

These proposed changes in the limits on the amounts of rental housing mortgages would make these programs more workable in accomplishing their objectives. The present per room limits on mortgage amounts have resulted in distortions in the designs of rental housing projects as a result of architects designing the units in such ways as would maximize the room count in order to obtain the highest mortgage amount possible. Frequently, the dwelling units are not those best suited for families or to achieve the best result from an architectural or market standpoint. There has been difficulty in determining what constitutes a room and how to count balconies, alcoves, halls, and similar portions of a dwelling unit. The plans for projects have included extra balconies, porches, foyers, terraces, and so on, in order to add items which can increase the room count even though such items, in some instances, may not be desirable for the project and do not add materially to its livability.

The proposed new limit would remove the emphasis on developing a number of rooms in a project for the purpose of obtaining a maximum mortgage amount. Emphasis would be placed instead on developing more livable family units, since the dollar amount allowed per family unit would be dependent upon the number of bedrooms contained in the unit.

Condominiums

The bill would also provide for the insurance of a mortgage which would finance the construction or rehabilitation of a multifamily structure which would be sold in units as condominiums. Under present law only a multifamily structure that has been financed with an FHA-insured mortgage under any of the multifamily rental housing programs of the FHA (except a cooperative) can be sold as a condominium. Providing specific authority for insurance of a mortgage which would finance the construction or rehabilitation of the condominium, in addition to the sale of the dwelling units, would eliminate confusion and questions with respect to which requirements FHA should apply to the mortgagor and to the project. Under existing law, where the mortgage financing the construction of the project itself is required to be insured under a rental housing program, it has been difficult to separate the project from the criteria which govern a rental housing project and the different criteria which should govern a condominium. The provisions in the bill would eliminate this confusion.

Under the bill the limits on a construction mortgage would be similar to the limits applied to a section 213 cooperative housing investor-sponsor project. The amount of a mortgage could not exceed \$20 million (\$25 million if the mortgagor is regulated by Federal, State, or local law as to rents, charges, and operation), nor 90 percent of the replacement cost of the project when completed, nor the amount based on the number of family units and the dollar limits on the units in accordance with the number of bedrooms in the units, as explained previously. The interest on the mortgage could not exceed $5\frac{1}{4}$ percent per annum, and the term of the mortgage could not exceed 40 years. The mortgage would be a blanket mortgage, and after an approved percentage of units have been subscribed for by FHA-approved purchasers, the project could be converted to condominium ownership. The family units would be released from the blanket mortgage and covered by individual units with the blanket mortgage being reduced by an approved allocated amount. A project could include such commercial and community facilities as the Commissioner deems adequate to serve the occupants.

The existing law would also be amended to permit condominiums to consist of more than one structure; such as row apartments, a group of high-rise apartments, or a number of single-family structures, and to permit the conversion of a section 213 investor-sponsor cooperative project to a condominium.

As stated previously, the dollar limit on the amount of an insured mortgage which finances the purchase of a dwelling unit in a condominium would be increased from \$25,000 to \$30,000. Also, the downpayment required would be reduced (see the previous table). The term of such a mortgage under the bill could be up to 35 years. Under the present law, the term is limited to 30 years.

Cooperative housing

The bill would authorize FHA-insured supplemental loans to management-type cooperatives to finance the purchase and sale of memberships in the cooperatives. Under present law supplemental loans can be insured which finance improvements or repair of a cooperative or community facilities necessary to serve the occupants of the cooperative. Under the bill, a cooperative with the proceeds of supplemental insured loans could purchase membership from members who desire to sell their shares in the cooperative and sell the memberships to new members with small downpayments. The supplemental loan fund and repayments would serve as a revolving fund to finance the transactions.

Mutuality would be authorized by the bill for insured mortgages given by management-type cooperatives. Cooperative mortgages previously insured, in addition to those insured in the future, would be eligible for mutuality.

The Commissioner would be authorized to distribute to mortgagors or borrowers whose loans are insured under the FHA insurance provisions for management-type cooperatives shares of the participating reserve account in such manner and amounts as the Commissioner determines to be equitable and in accordance with sound actuarial and accounting practice. A share could be distributed to a borrower upon termination of FHA's insurance obligation by payment of the loan, or at such time or times prior to termination of the obligation as the Commissioner may determine.

Home improvement loans

The Housing Act of 1961 established an FHA insurance program for home improvement loans for homes outside urban renewal areas under section 203(k) of the National Housing Act. The purpose of this program is to enable homeowners to make substantial improvements in their homes without refinancing existing mortgages, thus providing an additional tool to prevent and eliminate decay and blighting influence from seriously affecting neighborhoods that can be preserved as good residential areas.

Under existing law, the Commissioner must determine that the property to be improved is "economically sound"—that is, he must determine that the property and the neighborhood meet the same criteria as those applied to FHA-insured new homes under the basic home mortgage program under section 203. As a result, the section 203(k) home improvement program has not been effective outside good residential neighborhoods where no undesirable property or neighborhood characteristics exist. In these neighborhoods, the program has generally been used to enlarge existing homes. Its use should be extended to areas in which some obsolescence, decay, and other blighting influences have begun to appear—the "gray areas" which could benefit most from such a program.

The bill would substitute for the economic soundness provision a more liberal requirement that the Commissioner must determine that the property to be improved is an "acceptable risk." The effect of this new requirement would be that the FHA could use more liberal criteria in rating properties and neighborhoods, thus making some of the "gray areas" eligible for this badly needed home improvement program.

Where the law requires a finding of economic soundness, the FHA considers not only the current aspects and characteristics of the mortgage transaction—including property location, neighborhood influences, earning capacity of the purchasing family, marketability, and value—but projects its estimates and findings into the future on a long-range basis. Special emphasis is placed upon the probable future value of the mortgaged property in the light of changing conditions in the neighborhood. Properties in blighted and deteriorating neighborhoods are consistently rejected, and mortgages are not insured where adverse predictions are made as to future property value.

The acceptable risk determination is less severe. More emphasis is placed upon current property values and the market conditions prevailing at the time FHA issues its commitment for insurance. Considerably less emphasis is placed upon the possibility of future deterioration and blight in the neighborhood, one of the objectives of FHA financing being to encourage property improvement and the prevention of housing deterioration in borderline areas and communities.

Under the bill home improvement loans could be insured under the section 203(k) program or the 220(h) program (for housing in urban renewal areas) where the loans finance improvements such as water and sewer facilities, sidewalks, curbs, street paving, street lights, or other public improvements for which the homeowner is legally obligated to pay, or for which assessments will be made against his property.

The bill would also provide that a home improvement loan could be insured which is made to a lessee of property where the term of

the lease runs more than 5 years beyond the maturity of the loan. This would include loans under either of the home improvement programs and where the properties are located either in or outside of urban renewal areas, except that a multifamily structure is not eligible for a home improvement loan under the section 203(k) program for housing not in an urban renewal area. Under existing law, where a home improvement loan is made to a lessee the term of the lease must have at least 50 years to run from the date of the loan, unless it is a 99-year lease which is renewable.

Additional relief for home mortgagors in default due to circumstances beyond their control

This section would provide that in those cases in which a lender has entered into a forbearance agreement in a case of default, the FHA is authorized to agree to include in the debentures issued to pay insurance benefits the interest on all of the mortgage payments which had become due and unpaid prior to foreclosure if the default finally results in foreclosure. This amendment assures lenders who grant forbearance with the approval of the Commissioner that they would be insured against any loss of interest on the mortgage payments in default prior to the forbearance agreement. The effect of the amendment would be to lessen the possibility of immediate foreclosure in cases of default by those lenders who are unwilling to risk loss of this amount of interest.

The section would also provide that lenders could be permitted by the Commissioner to recast or reamortize delinquent mortgages to include delinquent interest, as well as to extend the maturities of these mortgages beyond the maximum term permitted by law. The Commissioner's approval of such changes in the original mortgages would be given in those cases in default which he judged to be able to be brought to current condition by such measures of relief.

Another amendment would provide for a clarification of the present law to permit a lender to assign a mortgage to the Commissioner even though the lender had previously granted forbearance relief to the mortgagor in accordance with an agreement approved by the Commissioner. The amendment also provides authorization to the Commissioner to include in insurance payments such attorneys' fees and court costs as he finds are properly incurred by the lender in the assignment of a mortgage to the FHA. This provision will encourage lenders to assign defaulted home mortgages to the FHA in hardship cases rather than foreclose and apply immediately for insurance benefits. The Commissioner could then provide relief to the mortgagors in an effort to help them save their homes.

Your committee is, of course, pleased to recommend these amendments which are designed to protect worthy FHA homeowners from losing their homes due to circumstances beyond their control. Your committee would like to point out that it pioneered in the first legislation to encourage forbearance on the part of lenders in the so-called "avoidance of foreclosure" section of the 1959 Housing Act. That act encouraged forbearance by assuring lenders that they would not lose defaulted interest and it also authorized the FHA Commissioner as a last resort to acquire the mortgage if the lender was not cooperative in trying to cure a default in a worthy case.

FHA's policy of noninsurance against fire and other hazards of Commissioner-owned properties

The Subcommittee on Housing held a hearing last year to consider the position FHA had taken to discontinue carrying hazard insurance on properties held by the Commissioner. During the course of the hearing, the chairman suggested that the Federal Housing Administration and the Stock Company Association explore the possibility of some form of coinsurance whereby the Stock Company Association and FHA could share the insurance, and the Government could still reap some savings, but at the same time be protected against catastrophic losses.

The Federal Housing Administration and representatives of the Stock Company Association have conferred on possible coinsurance arrangements, but to date no mutually satisfactory proposal has been developed. Your committee recognizes that this is a difficult problem and one on which there are many considerations the agency must take into account. Your committee also recognizes that there is merit in the arguments of the private insurance industry and therefore hopes that negotiations will continue to see if a mutually acceptable coinsurance arrangement is feasible.

TITLE II—HOUSING FOR THE ELDERLY AND HANDICAPPED

Housing for the elderly—Loan program

Financial assistance to housing for the elderly continues to be one of the most important and urgent functions of the Housing Agency, and your committee is proud to have authored this outstanding program. The direct loan program for housing and related facilities has had a dramatic impact on the development of suitable housing for those elderly people who are ineligible for public housing but, through no fault of their own, are unable to afford decent housing available in the private market.

Under the direct loan program, loans are made to private nonprofit corporations and consumer cooperatives to provide housing and related service facilities for elderly persons and families where such assistance is not otherwise available on equally favorable terms. The loan may have a term up to 50 years and bear interest at a rate not exceeding the average interest rate on the entire Treasury debt, plus one-fourth of 1 percent. Presently the interest rate is $3\frac{3}{4}$ percent.

The initial authorization for the program was \$50 million. This authorization has been increased from time to time until it is now \$275 million. To date \$250 million has been appropriated, and an appropriation pending would exhaust the authorization. The bill would authorize the appropriation of an additional \$75 million to the revolving fund out of which loans for housing for the elderly are made. This authorization would enable the program to continue until Congress has an opportunity to act again next year.

The committee believes that the program of direct loans for housing for the elderly is making an important contribution toward meeting the needs of our senior citizens. At the same time, the attention of the committee has been called to the unduly inhibiting effect of the requirement, imposed by regulation, for competitive public bidding in the construction of projects aided by this program. Although the committee commends the effort of the Agency to comply with the

statutory requirement that "construction of these projects be undertaken in an economical manner," we are impressed with the contention that this does not necessarily require competitive bidding and, in fact, this requirement tends to discourage some project sponsors from undertaking what would be worthwhile additions to the program. The committee therefore urges that the Administrator consider eliminating the competitive bidding requirement and substituting cost certification procedures comparable to those required in FHA multifamily housing mortgage insurance programs.

FHA section 221 housing for low- or moderate-income elderly persons

Many elderly persons with low or moderate incomes need the housing provided under the FHA section 221 program for low- or moderate-income families, particularly the moderate rental housing provided under the below-market-interest rate program. However, the provisions of the present law restrict occupancy of section 221 housing to families, excluding individual persons.

The bill would make individual elderly persons 62 years of age or over eligible to purchase or occupy housing for low- and moderate-income families and families displaced by urban renewal or other governmental action which is financed with mortgages insured by the FHA under this section 221 program. The elderly persons would have to meet low- or moderate-income requirements applicable under the present law.

Housing for the handicapped

The bill would authorize assistance to housing for the handicapped under a number of existing programs of the Housing and Home Finance Agency. First, it would add provisions to the program of direct loans for housing for the elderly which would permit housing for the handicapped to be provided under the program. Second, the FHA mortgage insurance program for rental housing for the elderly (under sec. 231 of the National Housing Act) would be amended to include housing for the handicapped under its provisions. Third, a single person who is handicapped would be made eligible for occupancy of low-rent public housing and for rental and purchase of low- or moderate-income FHA section 221 housing. Fourth, a provision would be added to section 207 of the Housing Act of 1961 which would authorize specifically that the grant program for demonstrations of new means of providing housing for low-income persons or families shall include housing for the handicapped.

The bill would define the term "handicapped families" to mean families which consist of two or more persons and the head of which, or his spouse, is handicapped. The term would also include a single person who is handicapped. A person would be considered handicapped if the person is determined, under regulations issued by the Housing and Home Finance Administrator, to have a physical impairment which (1) is expected to be of long continued and indefinite duration, (2) substantially impedes his ability to live independently, and (3) is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

TITLE III—URBAN RENEWAL

The bill would provide a sizable increase in the authorization for title I slum clearance grants. It would also authorize a new \$50 million program of low-interest loans to owners or tenants of homes or business property in urban renewal areas to finance repairs required to make property in the urban renewal area conform to code requirements or to carry out the objectives of the urban renewal plan for the area. Several important provisions would expand and improve the relocation assistance available, and substantial increases are authorized in the relocation payments which may be made to those displaced by urban renewal. The bill will strengthen and emphasize the role of code enforcement by local communities in eliminating and preventing slums and the development of blight, and authorize urban renewal projects which consist entirely or substantially of a program of intensive code enforcement. In addition, the bill would expand and improve the urban renewal demonstration program and the urban planning assistance program.

Capital grant authorization

The bill would increase the authority for urban renewal grants by \$600 million to continue the program for 1 year. Existing authorization is completely committed, and a backlog of applications is building up.

The steady growth of the urban renewal program has demonstrated its wide acceptance. Nearly all of our large cities are participating in the program, and it is being used increasingly by smaller communities. Approximately two-thirds of the communities participating in the urban renewal program have populations of less than 50,000. Nearly 800 communities are presently planning or carrying out more than 1,600 urban renewal projects.

The committee recognizes that in spite of the widespread use of the urban renewal program and its many notable achievements, a serious problem of urban blight remains. The condition of our cities, where a majority of the American people live and work, is a matter of serious concern to this Nation.

The cities are caught in a vicious circle. They cannot, unaided, afford to carry out slum clearance, yet their slums are sapping their vitality and financial strength. It is unrealistic to expect cities to have sufficient resources to eliminate their slums entirely on their own. Only with the aid of the Federal Government can most slum clearance projects be carried out.

Nonresidential exception

The committee considered the administration recommendation that the proportion of capital grant funds which can be used for nonresidential urban renewal projects be increased to 35 percent from the 30 percent provided in existing law. The committee rejected this proposal and, furthermore, wishes to make it clear that it is its understanding and intention that future approvals of nonresidential projects under the additional \$600 million of authority provided in this bill be limited to 30 percent of the new money. In other words, not more than \$180 million of the additional grant authority made by this bill could be used for nonresidential projects under section 110(c) of the law.

Code enforcement

The committee believes that in many neighborhoods a program consisting primarily of intensive code enforcement could eliminate the first stages of slum and blight and prevent the need for subsequent clearance or rehabilitation activities. The bill therefore authorizes a new type of urban renewal project which could consist entirely or substantially of a program of intensive code enforcement in an urban renewal area. The committee expects that this type of project will be utilized in those areas which are basically sound (do not require extensive clearance or rehabilitation activities) but which, principally because of noncompliance with the housing code and related codes of the community, have begun to show signs of deterioration or blight. If allowed to continue to deteriorate, such areas would ultimately require more extensive renewal treatment, either in the form of clearance or intensive rehabilitation activities. The undertaking of a concerted effort to bring all properties within such areas into compliance with existing codes will, if the codes are adequate for this purpose, keep these areas free of slums and blight and make them desirable places in which to live.

The committee expects that the Administrator will not approve an urban renewal project consisting entirely or substantially of a program of intensive code enforcement unless it can be demonstrated that the code enforcement activities will be adequate to assure that the urban renewal area will remain stable and viable and will not need clearance or rehabilitation renewal activities in the foreseeable future.

The committee believes that the cost of carrying out an urban renewal project consisting entirely or substantially of a program of intensive code enforcement would almost always be less than the cost of carrying out the present types of clearance and redevelopment, or rehabilitation or conservation projects. The committee, therefore, expects the Administrator to exercise his discretion and limit grant-in-aid credit for expenditures for public facilities for code enforcement projects so that the proportionate amount available for grant-in-aid credit for these code enforcement projects is similar to the amount of grant-in-aid credit available for clearance and redevelopment, or rehabilitation or conservation projects.

The bill would also permit the cost of code enforcement activities carried out in clearance and redevelopment projects, and in rehabilitation or conservation projects, to be included as a part of eligible project cost which means that the Federal Government would pay two-thirds. Under existing law the scope of the services which may be included in eligible project cost for such projects excludes the preparation of violation notices, the making of compliance inspections of code violations, and similar actions which are a part of regular municipal code enforcement programs. Such code enforcement activities are an integral part of rehabilitation projects and permitting them to be included in eligible project cost will assist the communities in carrying out these activities and eliminate the present problems of segregating these code enforcement costs from other similar project activities.

However, a community may receive assistance for the new type of code enforcement urban renewal project authorized by this section only if the locality agrees to increase its total expenditures for code

enforcement by an amount equal to its share of the cost of such project. The committee believes this provision will assure that Federal funds are not used merely to replace local funds in providing code enforcement activities and make certain that a community which receives the Federal assistance for code enforcement activities made available by this section continues its present level of expenditures for code enforcement in the rest of the community.

The bill would authorize existing capital grant contracts to be amended to permit the cost of code enforcement activities undertaken after the date of enactment of this act to be included as a part of gross project cost.

The bill would also add to the workable program a requirement that, beginning 3 years after the date of enactment of the Housing Act of 1964, no workable program will be certified or recertified unless the locality has had in effect for at least 6 months a minimum standards housing code and the Housing and Home Finance Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with the code.

The committee recognizes that the full implementation of all the requirements of a minimum standards housing code must take place in stages over a period of time.

In the case of a community that is requesting certification of a workable program for the first time, the committee expects that, with respect to the new code-enforcement requirements, the Administrator will satisfy himself that the community has established an office or administrative agency which will have the authority in the future to carry out code-enforcement activities in an effective manner. However, when that community subsequently applies for recertification of its workable program, the Administrator must be satisfied that effective progress has been made during that year toward the goal of achieving compliance with the housing code.

On the other hand, in the case of a community which has an established workable program, the committee expects that each time that community applies for recertification of its workable program, the Administrator must be satisfied that effective progress has been made during that year toward the goal of achieving compliance with the housing code.

It is understood that some communities would be denied recertification until such time as the Administrator is satisfied that the community has fully complied with the new requirements for the workable program.

The committee believes that there is a need for technical assistance to localities to help them plan an adequate program of code enforcement and develop the organization needed to carry out such a program. Section 101(d) of the Housing Act of 1949 provides sufficient statutory authority for the Administrator to give such assistance to communities, at their request. It is the committee's wish that the Administrator will request and receive sufficient funds to permit the carrying out of a meaningful program of such technical assistance.

The committee wishes to emphasize that these new provisions are in addition to existing requirements relating to housing codes and code enforcement. The committee expects that the additional assistance for code enforcement activities made possible by this section will permit the Administrator to require immediately more effective imple-

mentation of the workable program requirements. While significant progress has been made in achieving the full potential of the workable program requirement, the committee expects the Administrator to make this program as effective as possible and to assure that a community applying for Federal funds is making progress in improving its performance under the workable program.

Relocation of displacees from urban renewal areas

Your committee has long been aware that the urban renewal program cannot adequately serve the public unless adequate provision is made to relocate those displaced.

The bill would, therefore, provide increased relocation assistance to individuals, families, and business concerns to be displaced from urban renewal areas.

The bill would amend section 105(c) of the Housing Act of 1949 to require local public agencies to assure that there will be available adequate housing for individuals as well as families displaced from an urban renewal area. Since the inception of the urban renewal program, the relocation requirement has been limited to families. To ameliorate the problems single persons face when they are threatened by displacement through urban renewal activities, the existing requirement as to the availability of decent, safe, and sanitary housing would be extended to all single persons. However, in order not to disrupt clearance or rehabilitation activities in projects already planned on the basis of existing housing resources available to families alone, the requirement as to individuals would become effective for projects which receive recognition subsequent to the effective date of this act.

The bill would further insure that an adequate supply of decent housing will be available and that adequate assistance will be made available to displaced families, individuals, and business concerns by directing the Administrator to require that a relocation assistance program be established at the earliest practicable time for each urban renewal project which involves the displacement of families, individuals, and business concerns. A relocation assistance program would include any assistance necessary in order to (1) determine the needs of persons and business concerns to be displaced by the project, (2) provide information and assistance in order to minimize the hardships of displacement, and (3) assure that relocation activities are coordinated with other governmental actions in the urban renewal area (such as the provision of public housing) which may affect relocation activities.

The bill would also assure that relocation payments would be made as soon as possible to all those found eligible for such payments by reason of their displacement from an urban renewal area.

In addition, the bill would amend section 8(b) of the Small Business Act to authorize the Small Business Administration to provide at the earliest practicable time, relocation assistance, and information to local public agencies and to small business concerns to be displaced from urban renewal areas. Such information could include information concerning the eligibility of displaced small business concerns for low-interest loans under the SBA disaster loan program.

Rehabilitation of property in urban renewal areas

The committee believes that extensive clearance and redevelopment of an urban renewal area should not be undertaken unless it is clear

that the objectives of the urban renewal plan cannot be achieved by less costly and less drastic procedures.

The bill, therefore, would prohibit approval of an urban renewal project which provides for demolition or removal of buildings unless the Administrator determines that the objectives of the urban renewal plan for the area could not be achieved through rehabilitation of the project area. Under the provisions of the bill, no contract for loan or capital grant could be entered into for any clearance project unless the Administrator determines that the objectives of the urban renewal plan could not be achieved through rehabilitation of the project area.

This provision is not intended to prevent clearance or demolition of buildings in connection with rehabilitation or other projects where such clearance or demolition is necessary to carry out the urban renewal plan.

Relocation payments to displaced persons and families

The bill would authorize additional Federal relocation payments to families and individuals, and to small independent businesses displaced from urban renewal areas. The bill would authorize urban renewal contracts presently outstanding to be amended to take advantage of the additional relocation payments authorized, but these additional payments would be available only to those families, individuals, and business concerns displaced on or after January 27, 1964.

At present, an individual or family displaced from an urban renewal area may be paid reasonable and necessary moving expenses and any actual direct losses of property, but in no event more than \$200. Business concerns and nonprofit organizations displaced from an urban renewal area may be paid reasonable and necessary moving expenses and any actual direct losses of property (except goodwill or profit), but in no event more than \$3,000 or the total certified actual moving expenses. The bill retains these existing relocation provisions and consolidates them with the new provisions.

The new provisions would authorize a business concern with average annual net earnings of less than \$10,000 to receive as a relocation payment, in addition to the payment presently provided, the sum of \$1,000 upon its displacement from the urban renewal area. This payment would be available only to those small displaced business concerns which (1) were doing business in a location in the urban renewal area on the date the locality approved the urban renewal plan, (2) were displaced on or after January 27, 1964, and (3) are individual businesses independently owned as distinguished from separate units in a chainstore operation.

This payment would be available only to small businesses because they are far less able than large businesses to adjust to a new environment and compete with established larger or more modern enterprises. Often there is a period of time required for them to reestablish operations, and often the cost of doing business is substantially higher in the new location. For some time after their displacement, small businesses suffer a loss in volume of sales while their operating expenses are greater than they were in the location in the urban renewal area.

The bill would also authorize, as an additional relocation payment to displaced individuals and families, payment of the first 3 months' rent (or mortgage payments) in their new quarters. However, this payment for the first 3 months' rent (or mortgage payments) could

not exceed \$200. In many cases, families and individuals displaced from an urban renewal area must increase the amount of money they spend for housing. It is a legitimate cost of urban renewal to assist these people to accommodate themselves to their greater housing costs and to compensate them for the hardships of displacement.

The committee wishes to make it clear that in no case could there be double payment of moving expenses or any other relocation benefits, even though a displaced family or business concern might be eligible both under the urban renewal program and any other Government program, such as the Federal Aid Highway Act, which provides the same benefits.

Rehabilitation loans

The bill, adopting a provision from H.R. 9771, would authorize a new \$50 million program of low-interest loans to owners or tenants of dwelling units or business property in urban renewal areas to finance the rehabilitation required to make these dwelling units or business properties conform to code requirements or carry out the objectives of an urban renewal plan for the area. The program is designed to provide a source of financing to those persons and businesses in an urban renewal area who are presently unable to undertake necessary rehabilitation of their property because they cannot obtain loans in sufficient amounts or at such terms as they can afford to carry.

Loans under this program could finance the improvement or repair of structures, or facilities in connection with the structures. A loan could, for example, finance the provision of sanitary or other facilities that are required by the applicable codes or the urban renewal plan. The term of the loan could not exceed the lesser of 15 years or three-fourths of the remaining economic life of the structure after rehabilitation.

In the case of residential property, the amount of the loan could not exceed the least of (1) \$10,000 per dwelling unit, (2) the cost of the rehabilitation, or (3) an amount which, when added to any outstanding debt related to the property, would exceed the amount of a first mortgage loan on the property which could be insured by the Federal Housing Commissioner under the provisions of the FHA section 220 urban renewal housing program.

In the case of nonresidential property, the amount of the loan could not exceed the lesser of \$50,000 or the cost of rehabilitation. In addition, a loan on nonresidential property could not exceed an amount which, when added to the outstanding indebtedness related to the property, creates a total outstanding debt that exceeds the amount of a loan which the Administrator determines could be reasonably secured by a first mortgage on the property.

Loans made under this new program would bear interest at a rate not to exceed 3 percent per annum of the principal amount of the loan outstanding. The Administrator could prescribe other charges he finds necessary, including service charges, and appraisal, inspection, and other fees.

The Administrator would have authority to use as his agent in carrying out the program any local public or private agency. He would have authority to issue such rules and regulations and impose such requirements and conditions as he determines to be desirable to carry

out the objectives of the program. This could include limitations on the amount of a loan in any particular case and restrictions on the use of the property improved with the proceeds of the loan. This authority would be available to prevent abuses and provide protection to tenants.

The committee has long felt the need for an effective program which would enable the owners of property in urban renewal areas to finance needed repairs and rehabilitation. The committee had high hopes that the FHA section 220(h) program for rehabilitation of property in urban renewal areas authorized by the Housing Act of 1961 would enable the owners of property in urban renewal areas to finance needed repairs and rehabilitation. That program, however, has been unsuccessful in helping many who need assistance, but do not have the commercial credit rating or the financial resources needed to carry loans with the interest charges involved. The committee believes that a direct loan low-interest rate program of the type provided by this bill is a feasible method of stimulating private owners to undertake needed rehabilitation of their property in urban renewal areas.

The committee believes that the cost of these loans will be recaptured many times over by the reduction in the need for demolition of structures in urban renewal areas which will result from this program. The committee believes that this low-interest rehabilitation loan program, coupled with those provisions of this bill which strengthen and emphasize the role of code enforcement by the communities, and authorize urban renewal projects which consist entirely or substantially of a program of intensive code enforcement, can substantially assist in eliminating and preventing the development and spread of slums and blight without the use of urban renewal capital grant funds.

The committee recognizes that there are limitations on the possible effect of this new program. Many urban renewal areas are so dilapidated, so blighted, so completely slum, that private investment for repair and rehabilitation of property in the area cannot be stimulated and could not be successful. This new loan program can, however, be useful in stimulating private investment in repair and rehabilitation of property in renewal areas that are appropriate for conservation activities.

Your committee has long been dissatisfied with the financing tools available to make rehabilitation in urban renewal areas really workable, and we believe that these new 3-percent interest, 15-year-term loans are an important stride forward in preventing salvageable housing and businesses from deteriorating into the slums of the future.

Self-help programs for community improvement

Section 101(d) of the Housing Act of 1949 presently authorizes an urban renewal service which makes available technical and other professional assistance to communities in the preparation and development of their renewal plans and programs. The committee believes that it would be extremely helpful to local governments if such technical and other professional assistance were available for the development of self-help programs such as rehabilitation projects which require no Federal financial assistance under the urban renewal program, and self-liquidating redevelopment projects. The bill would, there-

fore, authorize the Administrator to include as part of the urban renewal service assistance in the development of such programs.

Urban planning grant authorization

The bill would increase the amount which can be appropriated for grants under the urban planning program (sec. 701 of the Housing Act of 1954) by \$30 million, from \$75 million to \$105 million. The committee believes that the planning grant program has been most helpful in assisting States and local governments in solving planning problems resulting from the increasing concentration of population in metropolitan and other urban areas, including small communities, in facilitating comprehensive planning for urban development, including coordinated transportation systems, on a continuing basis by such governments, and in encouraging such governments to establish and improve planning staffs.

Planning for counties of 50,000 or more

The bill would make all counties, regardless of population, eligible for comprehensive urban planning assistance under section 701 of the Housing Act of 1954. At present only counties with a population of less than 50,000 or those larger counties located in redevelopment or disaster areas are eligible for such assistance. Many other counties, especially suburban counties adjoining our major cities, have urgent unmet urban planning needs. Under the provisions of the bill, such counties would be eligible for grants covering up to two-thirds of the cost of preparing land-use and public facilities plans, capital improvements programs, and other comprehensive planning activities. This assistance would be available through the State planning agency or through a metropolitan or regional planning agency if the State planning agency assents.

No grants would be made under this new authority for counties with a population of 50,000 or more which are located in metropolitan areas, unless the Administrator finds that the plans and planning of the county will be coordinated with any program of comprehensive planning being carried out for the metropolitan area of which the county is a part.

In addition, the aggregate amount of grants available for such larger metropolitan counties would be limited to 15 percent of the aggregate amount appropriated after the date of enactment of this act, for grants under the section 701 program.

Planning assistance to cities affected by treaties

The bill would authorize the Housing Administrator to make comprehensive urban planning grants to cities with a population of 50,000 or more which are affected by treaties or international understandings. The recent treaty between the United States and the Republic of Mexico and the resultant transfer of land between the two countries at El Paso, Tex., has brought to the attention of the committee the fact that such treaties or international understandings can often cause serious urban planning problems for the areas affected. The committee believes that such areas should have the benefits of urban planning grant assistance.

Relocation payments in cases of property affected by coal mine subsidence or underground mine fires

In certain cases, particularly in the anthracite regions, coal mine subsidence or coal mine fires may result in or contribute to conditions of blight that make appropriate the redevelopment of an urban area under the urban renewal program. Under existing law, however, the capacity of the urban renewal program to provide effective assistance in meeting the special problems posed by mine subsidence or mine fires is limited by the fact that the amount allowable for acquiring property in such an area is limited according to the value of the property at the time it is acquired or taken. In some cases, this means that, while subsidence or fires and their consequences constitute the basic reason for the project, those in the urban renewal area who are most affected by such subsidence or mine fires can receive for their property only an amount reflecting its value for salvage purposes.

The bill would provide a means for assuring that those whose property has been rendered wholly or partially unusable because of mine subsidence or mine fires will receive more adequate compensation when their property is taken in connection with an urban renewal project. Under this provision, where an individual, family, business concern, or nonprofit organization owning such property in an urban renewal area has in fact suffered loss because of the subsidence or mine fire damage, and the amount of this loss is not covered in the price paid for the property by the local public agency, the difference between that price and the value of the property in an undamaged condition could be made up through a special relocation payment. Unlike other relocation payments, however, the cost of these special mine fire or mine subsidence payments would not be met wholly from Federal funds. The bill would, instead, require non-Federal contributions with respect to these payments so that their cost would be shared according to the same ratio of Federal to local contributions as is applicable to other project costs.

TITLE IV—HOUSING FOR LOW-INCOME FAMILIES

In addition to authorizing an increase in the annual contributions authorization that would permit contracts for new units over the next year at approximately the annual rate attained under the Housing Act of 1961, the bill would effect a number of significant improvements in the public housing program. Four of these relate to relocation and are designed either to enhance the capacity of local housing authorities to provide low-rent housing for displacees or to assure that those displaced by the public housing program itself will be entitled to the same basic safeguards and assistance as are now available to urban renewal displacees. A fifth provision would encourage the continued exploration and development of new techniques for providing housing for low-income families by increasing the authorization, now virtually exhausted, for grants for low-income housing demonstrations.

Low-rent housing for displacees

Single individuals, even though displaced by governmental action, are ineligible for admission to public housing under existing law unless they are either elderly or disabled. The bill would make it possible for local authorities to admit such individuals if they are otherwise eligible. The bill would, however, assist in the solution of displacement problems in a number of communities and facilitate carrying out other provisions of the bill requiring that suitable accommodations be available or made available to individuals as well as families when they are displaced from urban renewal and low-rent housing sites.

The bill would enable local housing authorities to admit a greater number of very low-income displacees. At present, there is a significant limitation on the ability of local housing authorities to meet their special responsibilities to displaced families where, as is often the case, these families have exceptionally low incomes. This is so because tenants of public housing projects must, as a whole, pay sufficient rents to meet operating expenses if the projects are to remain solvent.

The bill would, accordingly, authorize a special subsidy, similar to the present special subsidy for the elderly, of up to \$120 per dwelling per year where a dwelling unit is occupied by an eligible displaced family. Displaced families for purposes of this amendment would include those displaced after January 27, 1964, by an urban renewal or low-rent housing project. Since such a family would have to qualify as a displaced family at the time of admission, it would also be necessary that its displacement occur within a reasonable period prior to the time it is admitted. Where a dwelling unit is occupied by a displaced elderly family, no payment would be made with respect to that unit under the amendment and the only payment, if any, that could be made would be under the existing special subsidy for the elderly.

The new payment would be made, generally, on the same terms and conditions as now govern the additional payment for the elderly. No payment would be made, therefore, in the absence of a contract deficit, and the amount of the payment would be limited by the amount of that deficit (or, if lesser, by the deficit attributable to displacees) as well as by the statutory \$120 per unit ceiling on the amount that can be paid each year.

Assistance for families and individuals displaced from project sites

The bill would establish for the low-rent housing program the same basic requirements for relocating displaced families and individuals as those which are applicable under the urban renewal program.

Title I of the Housing Act of 1949 has, from the beginning, required that there be a feasible method for the relocation of families displaced from urban renewal areas and that there must be enough decent, safe, and sanitary housing in existence or being provided to meet the needs of displaced families. Under section 303 of the bill, this requirement, now limited to the relocation of families, would be extended to include displaced individuals as well.

The U.S. Housing Act of 1937 contains no similar requirement for relocating families and individuals displaced from the sites used for low-rent housing projects. While the problems of relocation under the public housing program are not comparable in all respects to those often confronted in connection with urban renewal projects, the basic

principle is the same in both cases. Section 405 of the bill would, therefore, require, as a condition for any contract for annual contributions or loans (other than preliminary loans) in assistance of a low-rent housing project, that the local housing authority demonstrate that there is a feasible method for relocating displaced families and that there are or are being provided, in the project or other areas not generally less desirable, an adequate number of decent, safe, and sanitary housing units to meet the needs of these displacees. This requirement would be applicable to projects where an application for preliminary loan had not received local approval prior to the effective date of the Housing Act of 1964.

The bill would amend the U.S. Housing Act of 1937 to provide for relocation payments to families, individuals, businesses, and nonprofit organizations displaced from low-rent housing project sites. These payments would be made on the same basis, and subject to the same limitations, as payments authorized under title I of the Housing Act of 1949 to families, individuals, business concerns, and organizations displaced from urban renewal areas. They would include the new kinds of relocation payments that would be authorized under section 306 of this bill for business concerns displaced from urban renewal areas, as well as the new payments that would be authorized under that section to assist displaced families and individuals in securing suitable housing.

Relocation payments would be permitted only where they were not otherwise authorized under Federal law, thus precluding any possibility of payments duplicating those already authorized for urban renewal displacees. The cost of these payments could be included with development costs for purposes of computing the amount of annual contributions for any project having a displacement impact.

The U.S. Housing Act of 1937 now contains no provision for relocation payments to those who may be displaced from low-rent housing project sites, even though other similarly situated may receive such payments if they are displaced from an urban renewal site. The amendment would eliminate this disparity in treatment among those who may be displaced under the urban renewal and low-rent housing programs.

Increase in authorization for annual contributions

The bill would increase the authorization for annual contributions by an amount (\$27 million) estimated to be sufficient to provide an additional 35,000 units of low-rent public housing. This annual rate is approximately that which has prevailed over the past decade.

The authorization for approximately 100,000 additional units of low-rent housing contained in the Housing Act of 1961 has now been exhausted. The increase provided under the bill would permit the program to operate over the next year at substantially the same annual level as has been attained under the Housing Act of 1961 in placing new units under contract. This rate is necessary to permit continued progress toward meeting existing low-income housing needs and to assist in relocating the thousands of low-income families who will be displaced by governmental programs over the next few years. There is currently a backlog of more than 40,000 units either in the application stage, or for which program reservations or preliminary loans have been made but for which no contract authority exists. While it

is not anticipated that all of these units will necessarily reach the point of contract, there clearly exists a need for additional units which amply supports the increased authorization contained in the bill.

The subcommittee carefully considered proposals to use existing housing under the public low-rent housing program. Such proposals were included both in the administration bill and in the bill introduced by the ranking minority member of the subcommittee (Mr. Widnall). While there were differences in method, both had as their objective greater flexibility in the low-rent housing program and the utilization of vacant units in the housing supply. The committee is in accord with these objectives but feels that the plans are relatively novel in comparison to the public housing program as it has operated since 1937 and should be looked into carefully before action is taken. In addition, it was felt that the total number of additional low-rent units agreed on (35,000) was the minimum necessary to carry the present program for 1 year without the addition of new types of operation. The committee does not wish to foreclose further consideration and discussion of the use of existing units under the low-rent housing program.

Burden of assessments

In the building of public housing projects, particularly those in expanding metropolitan areas, there is often a necessity to install vastly increased utility and sewage lines. Under the cooperation agreements which the Public Housing Administration obtains from various local governments as a prerequisite to entering into an annual contributions contract with them, it is generally provided that the cost of such installations will be borne by the city.

It has been brought to the attention of the committee that often this results in overly heavy assessments being made against adjacent small taxpayers in order that the cost, which the city has undertaken to pay through the cooperation agreement, may be met. This is an unjust assessment of the adjacent small taxpayer from which he derives no increased value or service. It is, therefore, the opinion of the committee that this matter should be more fully considered by both the Public Housing Administration and the municipalities concerned in order that a more just and equitable arrangement may be set up.

One approach to this problem is for the Public Housing Administration to make funds available for the installations referred to above, and that arrangements then be made for repayment of this amount from the payment in lieu of taxes which the local housing authority makes to the city. In any event, the committee wishes to call to the attention of the Public Housing Administration that the situation described above, wherein the heavy burden of paying for the new installation falls on small taxpayers, particularly homeowners, should not be allowed to continue.

Low-income housing demonstration program authorization

The bill would increase from \$5 to \$10 million the authorization for grants for low-income housing demonstrations. An increase is necessary to permit the testing and demonstration of additional new low-income housing techniques, including housing for the handicapped, since the present authorization has now been virtually exhausted.

TITLE V—RURAL HOUSING

Extension of rural housing loan programs

Title V of the bill would provide temporary extensions needed for certain of the rural housing loan programs under title V of the Housing Act of 1949.

The basic provision would authorize an additional \$150 million for the rural housing direct loan programs under sections 502 and 503. These programs provide low-interest, long-term loans for the provision of adequate farm buildings and rural dwellings.

During the 1964 fiscal year, the amount of regular section 502 rural housing loans approved totaled about \$125 million. This is \$58 million less than the amount approved during the 1963 fiscal year. This decline in loan volume reflects the decrease in the amount of funds apportioned to the Farmers Home Administration by the Bureau of the Budget and does not indicate a decline in the need for rural housing loans or a loss of interest in these loans. In fact, the amount available during 1964 was grossly inadequate to meet the credit needs of families who applied for rural housing loans during the year.

On June 30, 1964, the Farmers Home Administration had on hand some 21,000 applications for rural housing assistance and new applications are being received at the rate of 3,500 per month. For many months the agency had a backlog of more than \$100 million worth of loan applications from eligible applicants.

The Bureau of the Budget has made available to the Farmers Home Administration \$30 million for the basic rural housing program for the first quarter of the 1965 fiscal year. This leaves only about \$22 million of the fund currently authorized to be used for rural housing loans through June 30, 1965. Your committee believes that the \$150 million which would be provided by the bill is the absolute minimum needed for this valuable program.

Availability of private credit

Your committee believes the rural housing loan program which has been of such great benefit in improving housing standards in rural and rural nonfarm areas, has been administered in an outstanding manner. Your committee believes that in general the Farmers Home Administration has exercised great care in preventing the making of a direct loan where a private lender was willing to make the loan. However, instances of this kind are still occasionally reported to the committee and we, therefore, wish to reemphasize to the Administrator of the Farmers Home Administration the necessity for the most careful administration of the "credit availability" test in order that available Federal funds can be conserved for definitely eligible borrowers. We encourage the Farmers Home Administration in the further development of methods for utilizing presently available capital to the maximum extent possible. In this connection, correspondence was received from the life insurance business suggesting procedures to achieve this objective and we recommend that careful study and examination be given to these suggestions.

TITLE VI—FEDERAL-STATE TRAINING PROGRAMS

Title VI would authorize the Housing and Home Finance Administrator to make matching grants to States to assist them in develop-

ing special training programs for technical and professional people who are, or are likely to be, employed by a governmental or public body which has responsibilities for community development.

These matching grants could also be used to support State and local research on housing, public improvement programs, code problems, efficient land use, urban transportation, and similar community development problems.

In order to be eligible to receive a matching grant, a State would be required to adopt a plan for the use of the grant funds. A State plan would (1) set forth the proposed use of the funds and the objectives to be accomplished; (2) explain the method by which the matching local funds will be provided; (3) provide adequate fiscal control and fund accounting procedures; (4) designate the State officer or agency to administer the program; and (5) provide for reports to the Administrator containing such information as he may reasonably require.

To fund this program of matching grants \$10 million would be authorized to be appropriated. No more than 10 percent of the total amount authorized to be appropriated could be used for making grants to any one State.

The rapid growth of urban areas in recent years has brought with it a variety of problems of community development. To help meet these problems a number of State and local federally assisted programs have been begun: for urban renewal, housing, transportation, open space, urban planning, water and sewer services, and highways. Effective execution of these programs requires that professional and technical employees of governmental and public bodies having responsibilities for community development receive special training to enable them to acquire needed skills and keep abreast of new techniques required for an overall approach to urban development problems.

However, the committee has been advised that less than one-third of local governments carry on any specialized training in urban development problems for professional and technical people they employ. Only a few State governments conduct such training. Nor are local universities presently providing the necessary training. Only a few universities are effectively contributing to the training of such personnel in their regions.

There is an urgent need to increase the available number of professional and technical people employed by governmental or public bodies with responsibilities for community development and to improve the quality of their training.

There is a need for trained people with new skills which have grown out of some of the emerging problem areas of community development; transportation, urban planning, public improvement programming, etc. There is a need to update the training and skills of municipal employees performing conventional functions that have become increasingly complex and technical; building inspectors, those engaged in code enforcement, tax assessors, etc.

In the smaller cities the need for assistance to provide training for professional and technical personnel is even greater than in the large cities. Often in the smaller cities the professional or technical employee is responsible for a wider range of activities than he would be in the larger city. However, access to training facilities in these smaller cities is more limited than in the larger cities.

The States and local governments do not have the financial resources to establish the needed training programs by themselves. The contribution of Federal matching funds will stimulate and enable the States to undertake a planned statewide approach to preparing and funding a plan for training professional and technical employees of governmental and public bodies with responsibilities in the field of community development.

The committee believes this program will help to strengthen State and local levels of government by improving the level of the skills of the professional and technical employees of State and local governmental bodies. It will also improve the operation of Federal programs.

Federal programs to assist housing and community development involve billions of dollars in Federal expenditures. To a great degree these expenditures are for federally supported local programs managed by employees of State and local governments. Well-trained people at the local level can repay the Federal share of the cost of these training programs many times over in improved efficiency in the use of Federal funds made available for urban renewal, urban planning, waste treatment facilities, highways, etc.

TITLE VII—COMMUNITY FACILITIES

Improvement in the public facility loan program

The provisions of this title would make clear that instrumentalities or other political subdivisions in one or more States are not precluded from receiving assistance under the public facility loan program if otherwise eligible.

The committee has been informed that some question has arisen as to whether, under the existing statutory language, an instrumentality created by more than one State or authorized to serve communities in more than one State is eligible for a public facility loan. A similar question has arisen as to whether, under the existing statutory language, an instrumentality created by two or more municipalities or other political subdivisions situated in separate States is eligible for a public facility loan.

Congress did not intend to so limit eligibility of instrumentalities of States and instrumentalities of municipalities or other political subdivisions of the States. The clarification of language contained in this section should remove any doubts as to the Agency's authority to make loans to such instrumentalities for projects otherwise eligible.

The provisions of this title would also make financial assistance under the public facility loans program available to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States without regard to the aggregate population of the communities which it is serving, so long as each of these communities is within the population limits applicable to the program. A public work or facility used by two or more contiguous communities, either in the same or adjoining States, is often more efficient to plan, build, and operate than separate facilities built and operated by each community. The statutory population limits in the public facility loan program were never intended to preclude financial assistance for such projects designed to serve

several communities each of which have a population within the statutory limits.

Improvements in program of advances for public works planning

This section would authorize an additional \$20 million to be appropriated to carry out the planning advance program.

In addition, the provisions of this title would permit a public agency which constructs only a part of a public work planned with an advance under the first or second as well as the third advance planning programs to repay only that proportionate amount of the advance as the Administrator determines to be equitable, and authorize the Administrator to terminate any agreement for an advance under the first, second, or third advance planning programs whenever he determines that there is no reasonable likelihood that the public work planned will be constructed.

The Administrator presently lacks authority to terminate agreements for planning advances even when it is clear that the public work planned will never be constructed. As a result, the Agency is legally required to continue to assume the administrative costs involved in reviewing these obsolete plans to ascertain whether construction has or will be undertaken. This is a wasteful requirement.

This title would, therefore, permit the Administrator to terminate planning advance agreements whenever he determines that there is no reasonable likelihood that the public work, or a portion of the public work, planned with the advance will be constructed. In making this determination the Administrator will consider, among other things, factors such as (1) construction of another public work which makes the public work planned with such an advance no longer necessary or desirable; (2) substantial changes in population, governmental organization, or community needs which make construction of the public work planned with such an advance no longer necessary or desirable; and (3) substantial changes in technology which make construction of the public work planned with such an advance no longer necessary or desirable.

TITLE VIII—SAVINGS AND LOAN ASSOCIATIONS

Lending area

Section 801(a) would increase the basic statutory area in which a Federal savings and loan association may exercise its general lending authority under subsection (c) of section 5 of the Home Owners' Loan Act of 1933 to 100 miles from the association's home office instead of the existing 50 miles. It would leave unaffected the provision that a Federal association converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter.

The present 50-mile limitation was placed in the statute more than 25 years ago. In the intervening years, the country has experienced a tremendous suburban expansion, the establishment of new road systems and mass transit so that the commuting distance and metropolitan areas have been constantly enlarged. In recognition of these changes, your committee feels that the statutory lending area of a Federal savings and loan association should be 100 miles from its principal office. Lending activity pursuant to the amendment would,

of course, be subject to such rules and regulations as the Federal Home Loan Bank Board may prescribe under section 5(a) of the Home Owners' Loan Act of 1933.

Section 801(b) amends section 403(b) of the National Housing Act to make the lending authority of State-chartered associations under that act consistent with the lending authority of Federal savings and loan associations under the revision of section 5(c) of the Home Owners' Loan Act of 1933.

The language adopted by the committee makes it clear that State-chartered institutions can make loans beyond the first 50-mile limit, and up to the new 100-mile limit, only with the approval of and pursuant to regulations of the Federal Savings and Loan Insurance Corporation. This is consistent with the treatment of the federally chartered associations which will be authorized to increase their lending limit to 100 miles from the home office only with the approval of and pursuant to regulations of the Board. It is the understanding of the committee that regulations will be issued to provide uniform treatment of the two types of associations, but that such regulations will not impede the typical savings and loan association's ability to lend up to 100 miles, especially with respect to residential property.

Nothing in these sections is intended to interfere with the special authority granted Federal and State-chartered associations to make loans on property beyond 100 miles in connection with VA or FHA loans or conventional loans as provided by the Board in its regulations.

Loan limits, participations, and the percentage of assets limitations

Section 802 amends section 5(c) of the Home Owners' Loan Act of 1933 to (1) increase from \$35,000 to \$40,000 the amount which an association may lend on a single family property without classifying the loan as part of a separate 20 percent of assets category and (2) eliminate the present overriding 30-percent ceiling which limits the total amount that a Federal association may invest in two separate categories of loans.

The existing \$35,000 ceiling on loans on single family properties (without requiring special classification) was placed in the law 10 years ago. Your committee believes that in today's market a \$40,000 loan is no larger relatively than a \$35,000 loan was 10 years ago.

Under present law a Federal association may invest up to 20 percent of assets in participating interests in first liens on real property of the types on which it may make loans under its general lending authority and without regard to the area restriction. In a separate category a Federal association may invest 20 percent of its assets in loans beyond its regular lending area, in apartment loans, commercial loans, and loans of over \$35,000 on single family properties. However, the combination of the two categories cannot exceed 30 percent. Under the provisions of this bill a Federal savings and loan association would be permitted to make full use of both 20-percent categories.

Investments and obligations secured by real property located within an urban renewal area

Section 803 is a new provision amending section 5(c) of the Home Owners' Loan Act of 1933 to permit a Federal savings and loan association to invest not more than 5 percent of its assets either in direct investments on real property located within urban renewal areas or in

obligations secured by a first lien on real property so located. Within this 5-percent limit direct investments as sponsors would be limited to amounts up to 2 percent of the association's assets in real property or any interest therein, determined as prescribed by the Board. Since existing law authorizes Federal associations to invest up to 5 percent of assets in certain certificates issued by urban renewal investment trusts, this new section does not expand the amount that may be invested in urban renewal. However, your committee feels that this section makes urban renewal investment more attractive to Federal associations.

Loans on leaseholds

Section 804 amends section 5(c) of the Home Owners' Loan Act of 1933 by adding a new paragraph defining "real property" and "real estate" to include certain leaseholds. The section defines those terms as including a leasehold or subleasehold estate in real property under a lease or sublease the term of which does not expire, or which is renewable automatically or at the option of the holder (or at the option of the association) so as not to expire, for at least 15 years beyond the maturity of the debt or for such shorter periods as the Board by regulation may prescribe. The committee thinks that associations located in States where the history or practice involves the use of relatively short-term leaseholds as the security for real estate loans should be permitted to make loans on such security, otherwise associations will be at a distinct competitive disadvantage. Your committee does not feel that the use of short-term leaseholds should be encouraged in States where the custom and practice does not make it a competitive necessity, since fee simple ownership is preferable.

Investment in stock of certain limited purpose corporations

Section 805 adds to section 5(c) of the Home Owners' Loan Act of 1933 a new provision authorizing Federal savings and loan associations, subject to rules and regulations of the Federal Home Loan Bank Board, to invest not exceeding 2 percent of their assets in the stock, obligations, or other securities of corporations organized primarily to perform services for savings and loan associations, under the laws of the State in which the association's home office is located.

Savings and loan associations have many of the same needs for cooperative data processing as do commercial banks. This provision will permit Federal savings and loan associations to invest in service corporations established to render data processing services or other needed services to savings and loan associations. It would also permit Federal associations to invest in certain State corporations organized under State law whose purpose is to assist savings and loan associations in more fully meeting the mortgage needs of the area.

Your committee believes that such corporations as the Central Savings & Loan Corp. of New Jersey help savings and loan associations in extending thrift and home financing services and are in the public interest. Therefore, it is appropriate to authorize Federal associations to make modest investments in such corporations.

The authority granted by section 805 would be subject to rules and regulations of the Federal Home Loan Bank Board and the committee does not contemplate that an association would be permitted to invest in ordinary profitmaking corporations or corporations not closely related in purpose to the savings and loan business.

Advances to Federal home loan bank members

Section 806 amends subsection (b) of section 10 of the Federal Home Loan Bank Act to provide that no home mortgage shall be accepted as collateral security for an advance by a Federal home loan bank if, when the advance is made, the home mortgage loan secured by it has more than 30 years to run to maturity, except in the case of certain insured or guaranteed loans. Under existing law, the limitation is 25 years. In view of the prevailing mortgage maturities, the committee believes that an extension of the term set forth in subsection (b) of section 10 of the Bank Act is desirable. This section also makes eligible for collateral for an advance by a Federal home loan bank, a mortgage loan with an outstanding balance of \$40,000 as contrasted to the present ceiling of \$35,000.

Investment in Government obligations

Section 807 would amend section 5(c) of the Home Owners' Loan Act of 1933 to permit Federal savings and loan associations to invest in the obligations of any State, county, municipality, or political subdivision of any State or in the public authority of any one or more of the above. Special obligations issued by any of the above-mentioned States or subdivisions would also be eligible for investments by savings and loans subject to definition by the Board. Commercial banks, savings banks, certain State-chartered savings and loan associations and others have the legal authority to invest in State or municipal obligations.

The committee feels that this authority should be extended to federally chartered savings and loan associations. Such authority would aid in the financing by State and local communities of facilities such as schools and roads through broadening the base of available funds. It would also remove a competitive disadvantage that Federal savings and loans now have as compared with other financial institutions, and it would give them the opportunity to compete for the good will and public relations of the communities where they are located.

Limits on home improvement loans

Section 808 would increase from 15 to 20 percent the percentage of assets which a Federal savings and loan association may invest in loans for home improvement. It also raises the limit on such loans to \$5,000 each, unless the loan is insured or guaranteed. The previous limit in this respect was \$3,500.

Several years ago the Congress adopted legislation recommended by the House Banking and Currency Committee substantially to increase Federal housing insurance for property improvement loans. This legislation was adopted because of the increased cost in housing alterations, repairs, and improvements. This same increase in cost applies to loans for property improvement made without Federal guarantee or insurance. Increasing the limit from \$3,500 to \$5,000 for these home repair or improvement loans will provide inducement to home improvement without jeopardizing in any way the soundness of home-improvement financing. The increase in the percentage that such Federal associations may invest in property improvement loans—from 15 to 20 percent—is intended to give them a moderate expansion in their capacity to meet the demand for home improvement loans.

Public funds

Section 809 would add a new section 409 to title IV of the National Housing Act to make the savings accounts or share accounts of institutions insured by the Federal Savings and Loan Insurance Corporation lawful investments for public funds of the United States and corporation organized under the laws of the United States, and fiduciary trust funds under the control of the United States or any officer or officers thereof to the extent that these funds are insured by the FSLIC. At the present time many public officials are limited by regulations in regard to investment of the funds entrusted to their custody. Inasmuch as savings and loans represent large and growing institutions for the channeling of savings into home construction, improvement, and related fields, it seems unreasonable and unfair to exclude them from the categories of investment available to public officials.

It is not the committee's intent that corporations (such as national banks or Federal savings and loan associations) would be permitted to make investments contrary to any otherwise applicable authority.

TITLE IX—MISCELLANEOUS

FNMA—Removal of \$20,000 mortgage amount limitation

One provision of this title would remove the statutory \$20,000 per dwelling unit ceiling on mortgages purchased by the Federal National Mortgage Association under its regular privately financed secondary-market operations. This change would end the conflict between the present across-the-board ceiling on FNMA secondary market operations and the various—sometimes higher and sometimes lower—statutory ceilings applicable to mortgages insured by FHA under its several programs. However, the \$17,500 per unit limitation, which applies generally to FNMA's Treasury-financed special assistance functions, would remain in effect.

The law already exempts from these two limitations all mortgages insured by FHA under the section 220 urban renewal housing program, the title VIII armed services housing program, and the section 213 cooperative housing program on properties in urban renewal areas, and also all FHA-insured and VA-guaranteed mortgages on properties in Alaska, Guam, or Hawaii.

The elimination of the \$20,000 mortgage ceiling altogether will not result in the channeling of FNMA's secondary market operations funds into higher amount mortgages to any appreciable degree. The bulk of the mortgages purchased by FNMA under its secondary market operations will continue to be of mortgages on lower priced homes. Even under the existing \$20,000 ceiling the amount of the average mortgage currently being purchased is \$12,250, which is less than the amount of the average home mortgage now being insured by FHA.

FNMA—90-percent loans

Under its secondary market operations, FNMA is authorized by existing law to make short-term loans on the security of insured or guaranteed mortgages if the loans do not exceed 80 percent of the unpaid principal amounts of the mortgages securing them. This bill would increase the statutory maximum to 90 percent.

FNMA's experience with this lending activity, which was authorized in the Housing Act of 1961, is that the present 80-percent maxi-

mum is impracticable. Since inception of the lending operation in August of 1961, FNMA has received only four applications for loans, three of which were subsequently withdrawn or rejected; the one loan which was disbursed, in the amount of \$100,000, has been repaid.

This FNMA lending authority is basically sound, and it is expected that a loan-to-security ratio of up to a 90-percent maximum will allow it to serve the purpose intended—an acceptable optional method for mortgage investors to achieve greater liquidity. In that manner the FNMA lending operation would offer encouragement to investors, generally, to invest in mortgages.

Special assistance for section 221 outside of urban renewal areas

Your committee received a recommendation that it include in the bill a provision making FNMA special assistance available for FHA-insured section 221(d)(2) mortgages on sales type single-family dwellings for low- and moderate-income families wherever they live and without regard to whether they are displaced families. FNMA's existing special assistance is available for section 221(d)(2) mortgages on homes in urban renewal areas, and on homes outside such areas if they are for displaced families.

FNMA under its regular secondary market operations (as distinguished from special assistance) is continuously in the market for the purchase of section 221(d)(2) mortgages on low-cost homes without regard to the displaced or nondisplaced status of the mortgagors or to the location of their homes inside or outside of urban renewal areas. In this connection, your committee has learned that effective July 17, 1964, FNMA, under its secondary market operations, increased its purchase prices for section 221(d)(2) mortgages so that they now command the same purchase prices, on a nationwide basis, as other comparable FHA-insured 5¼-percent home mortgages. This FNMA action should help materially to broaden the availability of section 221(d)(2) mortgage financing for low-income families.

However, because your committee desires that section 221(d)(2) mortgage financing for low-cost homes be reasonably available to all low-income families, it recommends that reconsideration be given by FNMA to the limitations on the purchase of these mortgages under FNMA's present special assistance program. If it is determined that the existing special assistance authority should properly be enlarged with respect to those section 221(d)(2) mortgages on low-cost single family dwellings for low-income families, your committee suggests that an appropriate authorization be sought from the President, pursuant to his ample existing authority under section 305 of the FNMA charter act, to accomplish that purpose.

Open-space program—Grant authorization

This bill would authorize up to \$25 million of additional grants under the urban open-space program, and would provide that amounts appropriated would remain available until expended.

The open-space land program, established by title VII of the Housing Act of 1961, authorizes the Housing Administrator to make grants to State and local public bodies to assist in the acquisition of land in urban areas for permanent open-space use. The program helps curb urban sprawl and prevents the spread of urban blight and deterioration; encourages more economic and desirable urban develop-

ment; and helps provide recreational, conservation, and scenic areas. The Federal grant may not exceed 20 percent of the cost of acquiring open-space land, except that it may be increased to 30 percent when the acquiring body has open-space responsibilities over an entire urban area or participates in the exercise of such responsibilities for all or a substantial portion of an urban area under the terms of an inter-governmental agreement.

In its first 3 years of operation this program has made 219 grants to applicants in 31 States to assist in the acquisition of over 100,000 acres of land in urban areas.

The additional authority will be needed during this fiscal year. The present statute authorizes up to \$50 million of open-space grants. Commitments through fiscal year 1964 have used up all except about \$17 million of this authority. There is presently a backlog of about \$14 million of applications, and additional applications are being received at a rate of about \$2 million a month. The proposed \$25 million increase in authority is consistent with the general purpose of the bill to provide funds for this and other existing housing programs for 1 year.

SECTION-BY-SECTION SUMMARY OF THE BILL AS REPORTED

Short title

The first section provides that the bill may be cited by its short title—the “Housing Act of 1964.”

TITLE I—AMENDMENTS TO THE NATIONAL HOUSING ACT

Section 101. Mortgage limits for homes under section 203 programs

Subsection (a) amends section 203(b) (2) of the National Housing Act to increase the dollar limit on the amount of a home mortgage which can be insured by FHA under its regular section 203 home mortgage insurance program from \$25,000 to \$30,000 in the case of a one-family home; from \$27,500 to \$32,500 in the case of a two- or three-family home; and from \$35,000 to \$37,500 in the case of a four-family home. It also lowers the downpayment required under such program for homes having an appraised value of more than \$15,000, by reducing the increment of downpayment attributable to value in the range between \$15,000 and \$20,000 from 10 to 7½ percent and the increment attributable to value above \$20,000 from 25 to 20 percent. (The increment of downpayment attributable to the first \$15,000 of value remains at 3 percent for new homes, but is reduced from 10 to 8 percent for existing homes.)

Subsection (b) amends section 203(i) of the act to increase the dollar limit on the amount of a mortgage which can be insured under the FHA program of mortgage insurance for low-cost housing in outlying areas from \$9,000 to \$11,000.

Section 102. Home improvement loans outside of urban renewal areas

This section amends section 203(k) of the National Housing Act (the FHA home improvement loan insurance program for homes outside of urban renewal areas) to provide that the Commissioner may insure a loan thereunder if he finds it is an “acceptable risk,” rather than only if he finds it is “economically sound” as provided in existing law.

Section 103. Additional relief for home mortgagors in default due to circumstances beyond their control

This section amends the provisions of the National Housing Act which permit relief to home mortgagors whose payments on FHA-insured mortgages are in default due to circumstances beyond their control, for the purpose of providing additional relief to such mortgagors and of making lenders more willing to extend forbearance to them rather than proceeding to immediate foreclosure.

Subsection (a) amends section 204(a) of the act to provide that a lender, in recasting or reamortizing a mortgage in default, may include delinquent interest and extend the time beyond the maximum statutory

maturity of the mortgage, neither of which is permitted by existing law.

Subsection (b) amends section 230 of the act to make it clear that the Commissioner can accept assignment of a mortgage in default even though the lender had previously granted forbearance relief to the mortgagor, and in addition to provide that the payment of insurance benefits to the lender in such cases may include not only the unpaid mortgage interest but also such costs and attorneys' fees as are properly incurred by the lender in making the assignment.

Section 104. Maximum amount of section 207 rental housing mortgages

This section amends section 207(c)(2) of the National Housing Act to eliminate the provision presently limiting rental housing mortgages insured under section 207 to the cost of the physical improvements. No such limitation applies in any of FHA's other multifamily housing programs, and the elimination of this provision will make the full 90-percent loan-to-value ratio available to all rental housing sponsors under the section 207 program.

Section 105. Family unit limits on FHA rental housing

This section amends several of the FHA rental housing programs to eliminate the existing per-room limitations on maximum mortgage amounts, substituting new limitations which are based instead on the number of family units in the project with the specific dollar amount limitations varying according to the number of bedrooms in each unit.

Subsection (a) amends section 207(c)(3) of the National Housing Act (FHA's regular rental housing program), which presently imposes limits of \$2,500 per room (or \$9,000 per family unit if the number of rooms in the project is less than four per unit) with authority in the Commissioner to increase the limit to \$3,000 per room (or \$9,400 per family unit) for elevator-type structures and by an additional \$1,250 per room in high-cost areas. The new section 207 limits would be \$9,000 per family unit without a bedroom, \$12,500 with one bedroom, \$15,000 with two bedrooms, and \$18,500 with three or more bedrooms, with authority in the Commissioner to increase these amounts to \$10,500, \$15,000, \$18,000, and \$22,500, respectively, for elevator-type structures and to increase any such amount by an additional 30 percent in high-cost areas.

Subsection (b) amends section 213(b)(2) of the act to make the same changes in the section 213 cooperative housing program as those made in the section 207 program by subsection (a).

Subsection (c) amends section 220(d)(3)(B)(iii) of the act to make the same changes in the section 220 multifamily housing program as those made in the section 207 program by subsection (a).

Subsection (d) amends section 221(d)(3) and (4) to make similar changes (with somewhat lower dollar amounts reflecting the lower limits in this section under existing law) in both of the section 221 multifamily housing programs.

Subsection (e) amends section 231(c)(2) of the act to make similar changes (with somewhat lower dollar amounts) in the elderly persons rental housing program.

Subsection (f) amends section 810(f) of the act to make similar changes in the section 810 program of housing in defense-impacted areas.

Section 106. Supplementary cooperative loans under section 213(j)

Subsection (a) amends section 213(j) (1) of the National Housing Act to provide that loans made in connection with FHA-insured cooperative housing projects, which under existing law may be insured if made to finance improvements or repairs or to provide community facilities, may also be insured when made for the purpose of financing certain cooperative purchases and resales of memberships.

Subsection (b) amends section 305(e) of the act to authorize FNMA, in the exercise of its special assistance functions, to purchase (within the limits of available authorizations) supplementary cooperative loans eligible for insurance under section 213(j) in cases where the sponsor involved is certified as a consumer cooperative.

Section 107. Mutuality for management-type cooperatives

Subsection (a) amends section 213 of the National Housing Act to place FHA's mortgage insurance program for management-type cooperatives on a mutual basis. (Sales-type cooperatives would not be included, nor would projects built for sale to cooperatives unless actually so sold.) A new cooperative management housing insurance fund would be created with funds transferred from the section 207 rental housing insurance fund, with a general surplus account and a participating reserve account to which income or loss would be appropriately credited or charged. Shares of the participating reserve account would be distributed to cooperative housing borrowers by the Commissioner, in such manner and amounts as he determines equitable and sound, when the status of the account permits. Cooperative mortgages heretofore insured under the section 207 housing insurance fund and transferred to the new fund, as well as cooperative mortgages insured in the future, would be eligible for mutuality.

Subsections (b), (c), and (d) make technical and conforming amendments, necessitated by the creation of the new fund under subsection (a), in various provisions of the act.

Section 108. Mortgage limits under section 220 sales housing mortgage insurance program

This section amends section 220(d) (3) (A) of the National Housing Act to increase the limits on home mortgages under FHA's section 220 sales housing program in a manner corresponding with the changes made in FHA's section 203 program by section 101 of the bill. The dollar limit on such a mortgage would be increased from \$25,000 to \$30,000 in the case of a one-family home; from \$27,500 to \$32,500 in the case of a two-family home; from \$30,000 to \$32,500 in the case of a three-family home; and from \$35,000 to \$37,500 in the case of a four-family home (with a corresponding increase for dwellings designed for use by more than four families). In addition, the required downpayment would be lowered for homes having a replacement cost of more than \$15,000; the increment of downpayment attributable to such cost in the range between \$15,000 and \$20,000 would be reduced from 10 to 7½ percent and the increment attributable to such cost above \$20,000 would be reduced from 25 to 20 percent.

Section 109. Mortgage limits under section 220 multifamily housing mortgage insurance program

This section amends section 220(d) (3) (B) of the National Housing Act to increase from \$20 million to \$30 million the maximum dollar

amount of a mortgage insurable (in the case of a private mortgagor) under FHA's section 220 urban renewal multifamily housing program.

Section 110. Loans to cover the cost of public improvements

This section amends section 220(h) of the National Housing Act to provide FHA insurance (under both the sec. 203(k) and the sec. 220(h) home improvement loan programs) for loans made to enable the borrower to pay municipal assessments or charges against his property, such as for water or sewer facilities, sidewalks, curbs, street paving, street lights, or other public improvements, which he is legally liable to pay. The existing home improvement loan programs are limited to the financing of repairs or improvements made directly to the homeowner's property. The aggregate insured home improvement loans to any one borrower, including the new purpose, under both programs could not exceed \$10,000, and the maximum interest rate and maturity (6 percent and 20 years) would be the same as for other loans under those programs.

Section 111. Home improvement loans on property held under lease

This section amends section 220(h) (2) of the National Housing Act to provide that a home improvement loan may be insured under that section or section 203(k) when made to a lessee of property if the term of the lease will run more than 5 years beyond the maturity of the loan. Under existing law, for such a loan to be insurable the lease (unless it is a 99-year lease which is renewable) must have at least 50 years to run from the date of the loan.

Section 112. Private mortgagors under section 221(d) (3)

This section amends section 221(d) (3) of the National Housing Act to permit approved private development and building organizations to obtain section 221(d) (3) mortgages and be the initial mortgagor during the construction period in cases where before applying to FHA for such insurance such organization had entered into a contract satisfactory to FHA with a private nonprofit corporation approved by the Federal Housing Commissioner to sell such project to the private nonprofit corporation upon completion at the actual certified cost.

Section 113. Mortgage insurance for servicemen

This section amends section 222(b) of the National Housing Act to extend the special procedures of FHA's program of mortgage insurance for servicemen to mortgages which meet the requirements of the section 221(d) (2) program (housing for moderate-income and displaced families); under existing law the section 222 program is limited to mortgages meeting the criteria of section 203(b) or section 203(i). Maximum mortgage amounts under section 221(d) (2) begin at \$11,000 (\$15,000 in a high-cost area) for a single-family home.

Section 114. Private financing of sale of FHA-acquired properties

This section amends section 223(c) of the National Housing Act to permit FHA to insure mortgage loans financing the purchase of FHA-acquired property without regard to any of the limitations or requirements that would otherwise apply, except that in case of default insurance benefits must still be paid to the lender in debentures. Under existing law the Commissioner may disregard requirements relating to the eligibility of a mortgage but is otherwise bound by all applicable

limitations and requirements, both as to insurance and payment of benefits.

Section 115. Mortgage insurance for nonprofit nursing homes

This section amends section 232(b) (1) of the National Housing Act to make private nonprofit nursing homes eligible for FHA-insured mortgages to finance their construction or rehabilitation on the same basis as proprietary nursing homes (to which the program is now limited).

Section 116. Experimental housing

This section amends section 233 of the National Housing Act to make insurance available under FHA's experimental housing program for mortgages meeting the requirements of any of FHA's other title II programs; under existing law a mortgage cannot be insured under the experimental housing program unless it meets the requirements of section 203(b) or section 207. The present special provisions of section 233 with respect to the Commissioner's estimate of value or cost, nonoccupant owners, and payment of insurance benefits would be broadened so as to apply all mortgages qualifying under the amended provisions.

Section 117. Mortgage insurance for condominiums

This section amends section 234 of the National Housing Act to make extensive changes in FHA's mortgage insurance program for the sale of family units in condominiums.

Increases would be provided in the maximum amount and maturity of mortgages financing purchases of family units in condominiums. The maximum amount of such a mortgage could not exceed \$30,000; the minimum required downpayment would be 3 percent of the first \$15,000 of the family unit's appraised value, plus 10 percent of such value above \$15,000 but not in excess of \$20,000, plus 20 percent of such value above \$20,000, and a maximum maturity of 35 years would be permitted. (Under existing law, the maximum mortgage amount is determined under the sec. 207 formula; the minimum downpayment is 3 percent of the first \$13,500, plus 10 percent of the value above \$13,500 up to \$18,000, plus 30 percent of the value above \$18,000; and the maximum maturity is 30 years.)

Insurance would be authorized for blanket mortgages to finance the construction or rehabilitation of multifamily projects to be sold as condominiums, provided the mortgagor certifies to FHA that it intends to sell the project as a condominium and will make all reasonable efforts to sell the family units to FHA-approved purchasers. (Under existing law, the multifamily structure must have been financed with an insured mortgage under one of FHA's multifamily housing programs.) Such a blanket mortgage could not exceed 90 percent of the project's replacement cost, or \$20 million (\$25 million in the case of a mortgagor which is regulated or supervised under another Federal law or under State or local law); and could not exceed an amount per family unit determined under the same formula as that provided for FHA rental housing pursuant to the amendments made by section 105 of the bill. The interest rate could not exceed 5 $\frac{1}{4}$ percent, and the mortgage maturity could not exceed 40 years. The individual family units would be released from the blanket mortgage as they are sold.

This section also makes various other changes in the condominium program, including provisions permitting condominiums to consist of more than one structure and provisions permitting an investor-sponsor cooperative to be converted into a condominium.

Section 118. Prepayment of mortgages by nonprofit educational institutions

This section adds to title V of the National Housing Act a new section 517, which prohibits the collection (after July 1, 1962) of an adjusted premium charge in connection with the payment in full of an FHA-insured mortgage prior to its maturity in any case where such payment is made by or on behalf of a nonprofit educational institution which intends to use the property involved for educational purposes.

Section 119. Increase in number of units insurable under section 810 program

This section amends section 810(i) of the National Housing Act to increase from 5,000 to 10,000 the maximum number of dwelling units which may be covered at any one time by mortgages or commitments under the FHA program of insurance for housing in defense-impacted areas.

TITLE II—HOUSING FOR THE ELDERLY AND HANDICAPPED

Section 201. Housing for the elderly—Loan program

This section amends section 202(a) (4) of the Housing Act of 1959 to increase by \$75 million (from \$275 to \$350 million) the total amount authorized to be appropriated to the Housing and Home Finance Administrator for direct loans under the housing for the elderly program.

Section 202. FHA section 221 housing for low- or moderate-income elderly persons

This section amends section 221(f) of the National Housing Act to make individual elderly persons (i.e., persons 62 years of age or over) eligible the same as families to purchase or occupy sales or rental housing financed under FHA's section 221 program for low- and moderate-income and displaced families. This program provides rental housing financed with mortgages which bear below-market interest rates and on which waiver of mortgage insurance premiums is permitted.

Section 203. Housing for the handicapped

This section amends various provisions of the housing laws to provide thereunder the same special treatment for handicapped persons and families as is presently provided for the elderly.

Subsection (a) amends title II of the Housing Act of 1959 to authorize direct loans to provide rental housing for the handicapped as well as the loans presently authorized to provide rental housing for the elderly. For this purpose a person is considered handicapped if he is determined by the Administrator to have a physical impairment which is expected to be of long-continued and indefinite duration, substantially impedes his ability to live independently, and is of such a nature that this ability could be improved by more suitable housing

conditions. (Sec. 201 of the bill (discussed above) increases by \$75 million the appropriations authorized for the title II loan program.)

Subsection (b) amends section 221(f) of the National Housing Act (as amended by sec. 202 of the bill) to provide that a single handicapped person, like a single elderly person, shall be considered a "family" for purposes of the section 221 program.

Subsection (c) amends section 231 of the National Housing Act (the FHA mortgage insurance program for the elderly) to authorize insurance of mortgages to provide rental housing for handicapped persons as well as elderly persons.

Subsection (d) amends section 2(2) of the United States Housing Act of 1937 (as amended by sec. 401(a) of the bill) to permit the treatment of handicapped individuals, like elderly individuals, as families for low-rent public housing purposes.

Subsection (e) amends section 207 of the Housing Act of 1961 to include housing for handicapped persons within the low-income housing demonstration program.

TITLE III—URBAN RENEWAL

Section 301. Capital grant authorization

This section amends section 103(b) of the Housing Act of 1949 to increase by \$600 million (from \$4 billion to \$4,600 million) the aggregate amount of grants which the Administrator may make under the urban renewal program.

Section 302. Code enforcement

This section makes various changes in title I of the Housing Act of 1949 to encourage more intensive efforts in code enforcement under the urban renewal program.

Subsection (a) amends section 110(c) of the 1949 act to authorize a new type of urban renewal project which is wholly or partly for the purpose of the carrying out of code enforcement activities.

Subsection (b) further amends section 110(c) of the 1949 act to provide that a code enforcement program may be included as part of an urban renewal project provided the locality agrees to increase its total code enforcement expenditures during the period of the project by an amount at least equal to the required local grants-in-aid with respect to the code enforcement activities involved.

Subsection (c) amends section 101(c) of the 1949 act to provide that (beginning 3 years after the bill's enactment) no workable program will be certified or recertified unless the locality involved has had in effect for at least 6 months an adequate minimum standards housing code and has an effective program of enforcement to achieve compliance with such code.

Section 303. Relocation of displacees from urban renewal areas

Subsection (a) amends section 105(c) of the Housing Act of 1949 to require that there be a feasible method for relocating individuals displaced from an urban renewal area, as well as for relocating families (to which the present requirement is limited).

Subsection (b) further amends section 105(c) of the 1949 act to require the HHFA Administrator to issue rules and regulations providing for the establishment for each urban renewal project of a reloca-

tion assistance program designed to determine the needs of displacees for relocation assistance, provide information and assistance and minimize the hardships of displacement, and coordinate relocation activities with other project activities and related governmental activities.

Subsection (c) amends the new section 114 of the 1949 act (added by section 306 of the bill) to provide for the prompt making of relocation payments thereunder to all eligible displacees without regard to subsequent events (such as condemnation proceedings) not bearing upon whether displacement in fact occurred.

Subsection (d) amends section 8(b) of the Small Business Act to direct the Small Business Administration to provide relocation assistance and information to small business concerns to be displaced from urban renewal areas, at the earliest possible stage of the project.

Section 304. Disposal of land for low- and moderate-income housing

This section rewrites section 107 of the Housing Act of 1949, which deals with the disposition of property held as part of an urban renewal project. As rewritten section 107(a), which relates to disposition of housing constructed on property in an urban renewal area which is sold by a local public agency for use in the provision of rental or cooperative housing for moderate-income families, would permit single persons as well as families to occupy such housing.

The revised section 107(b) would provide a new method of determining the fair value of property in an urban renewal area made available to local housing agencies undertaking low-rent housing projects. Under the amendment, the price at which such property is to be made available would be the same as in the case of property made available under section 107(a) for rental or cooperative housing for moderate-income families (thus permitting a uniform sales price whether the property is sold for public housing or moderate-income housing purposes), rather than at the fair value of the land for private rental housing having physical characteristics similar to the proposed low-rent housing as under existing law.

Section 305. Rehabilitation of property in urban renewal areas

This section amends section 110(c) of the Housing Act of 1949 to prohibit Federal assistance for any urban renewal project providing for demolition and removal of buildings and improvements unless the Administrator determines that the objectives of the urban renewal plan could not be achieved through rehabilitation of the project area.

Section 306. Relocation payments to displaced persons and businesses

This section adds to title I of the Housing Act of 1949 a new section 114, incorporating the existing provisions of section 106(f), relating to relocation payments to displaced business concerns, non-profit organizations, individuals, and families under the urban renewal program and providing additional payments in certain cases. Urban renewal contracts presently outstanding may be amended to take advantage of the additional payments provided by the new provisions; but in any case such additional payments are available only for displacement occurring on or after January 27, 1964.

Under the new section 114(b), a displaced private business concern with average annual net earnings of less than \$10,000 may receive

as a relocation payment, in addition to the payment otherwise provided by the bill as well as by present law (moving expenses and direct losses of property up to \$3,000, or total certified actual moving expenses), the sum of \$1,000.

Under the new section 114(c), a displaced individual or family may receive (or have paid on his or its behalf) as relocation payments, in addition to the payment otherwise provided by the bill as well as by present law (moving expenses and direct losses of property, up to \$200), the first 3 months' rent or mortgage payment coming due after displacement up to a maximum of \$200.

Section 307. Incentives for local realty tax abatement for section 221 (d) (3) projects

This section amends section 110(d) of the Housing Act of 1949 to provide for the counting of real estate tax abatement granted by local authorities to section 221(d) (3) projects as part of the local noncash grant-in-aid for purposes of urban renewal projects undertaken in the community.

Section 308. Rehabilitation loans

This section authorizes the HHFA Administrator to make low-interest loans to owners or tenants of homes or business property in urban renewal areas to finance the rehabilitation required to make the property conform to code requirements or to carry out the objectives of the urban renewal plan for the area, in order to reduce the need for demolition and removal of structures which could be rehabilitated.

Subsection (a) authorizes the Administrator to make such loans, provided the borrower is unable to secure the necessary funds from other sources on reasonable terms and conditions and the loan is an acceptable risk.

Subsection (b) contains definitions of terms used in the section.

Subsection (c) provides that the interest rate on any such loan may not exceed 3 percent and the maturity may not exceed 15 years or three-fourths of the remaining economic life of the structure after its rehabilitation. The maximum amount of any such loan would be \$10,000 in the case of a home and \$50,000 in the case of business property, or the cost of rehabilitation if less. The Administrator would prescribe the security to be required, and such other terms and conditions as he deems appropriate.

Subsection (d) authorizes the appropriation of up to \$50 million for the new loan program.

Subsection (e) confers upon the Administrator, for purposes of the program, the usual administrative powers.

Subsection (f) authorizes the Administrator to use any local public or private agency or organization as his agent in carrying out the program.

Subsection (g) provides for the issuance by the Administrator of such rules and regulations, and the imposition by him of such additional requirements and conditions, as may be desirable in carrying out the program.

Section 309. Self-help programs for community improvement

This section amends section 101(d) of the Housing Act of 1949 to authorize the Administrator to include in the urban renewal services which he is authorized to furnish to communities any assistance re-

quested in the development of self-help programs such as rehabilitation projects not requiring Federal financial assistance and self-liquidating redevelopment projects.

Section 310. Urban renewal demonstration program

This section amends section 314 of the Housing Act of 1954 to increase from \$5 to \$10 million the maximum amount of urban renewal grant funds which may be used in carrying out the section 314 urban renewal demonstration grant program. It also provides that the full cost of writing and publishing reports (including summaries and other informational material) on demonstration projects and similar undertakings under such program will be paid from Federal funds; under existing law at least one-third of all costs of activities under the demonstration grant program must be paid for by the local public body.

Section 311. Urban and regional planning grants

Subsection (a) amends section 701(a) of the Housing Act of 1954 (the urban planning program) to permit a grant to be made to a State planning agency for planning assistance to any group of adjacent communities of less than 50,000 total population having common or related urban planning problems; under present law such a grant is authorized only where the problems result "from rapid urbanization."

Subsection (b) further amends section 701(a) of the 1954 act to permit metropolitan and regional planning agencies to receive direct grants for the provision of planning assistance to certain small communities (and Indian reservations) when the State planning agency or Governor assents; under present law such assistance must generally be provided through the State planning agency, either directly or by means of a contract with a metropolitan or regional planning agency.

Section 312. Planning grant authorization

This section amends section 701(b) of the Housing Act of 1954 to increase by \$30 million (from \$75 to \$105 million) the authorization of appropriations for urban planning grants under section 701.

Section 313. Planning grants for Indian reservations

Subsection (a) amends section 701(a) of the Housing Act of 1954 to authorize urban planning grants to State planning agencies for the provision of planning assistance to Indian reservations, and authorizes such grants directly to an Indian tribal council or other tribal body designated by the Secretary of the Interior in cases where no State agency is empowered to provide such assistance.

Subsection (b) amends section 701(d) of the 1954 act to add Indian reservations to the list of areas where comprehensive planning is to be encouraged through urban planning grants, and to add Indian tribal bodies to the list of local public bodies to which the Administrator may provide technical assistance in connection with comprehensive planning.

(The amendments made by sec. 311(b) of the bill (discussed above) authorize assistance to Indian reservations through metropolitan and regional planning agencies.)

Section 314. Eligibility of counties for planning assistance

This section amends section 701(a) of the Housing Act of 1954 to authorize urban planning grants to counties of 50,000 or more, subject to the requirement that if such a county is within a metropolitan area the Administrator must find that the planning involved will be coordinated with the comprehensive planning program of the area. Not more than 15 percent of the funds appropriated for the urban planning program could be used for such grants to counties of 50,000 or more in metropolitan areas. Under existing law a county of 50,000 or more would have to be situated in a redevelopment area or have suffered a major disaster in order to qualify for such a grant either directly or through the State planning agency.

Section 315. Planning problems resulting from treaties or other international agreements

This section amends section 701(a) (4) of the Housing Act of 1954 to authorize direct urban planning grants to official governmental agencies for areas where planning problems have resulted or are expected to result from the implementation of a Federal treaty or other international agreement or understanding (such as the Chamizal Treaty between the United States and Mexico).

Section 316. Small Business Administration loans

This section amends section 7(b) (3) of the Small Business Act to make it clear that the Small Business Administration loans presently authorized by that section for small business concerns displaced from urban renewal areas may include the purchase or construction of new premises even though the concern involved did not own the premises from which it was displaced.

Section 317. Relocation payments in cases of property affected by coal mine subsidence or underground mine fires

This section amends the new section 114 of the Housing Act of 1949 (added by sec. 306 of the bill) to provide that in any case where property in an urban renewal area has been rendered partially or wholly unusable by the subsidence or collapse of underlying coal mines or by underground mine fires, to compensate the owner of the property for his loss the relocation payments made to him may include an additional amount equal to the difference between the price actually paid for the property by the local public agency and the market value the property would have had if the subsidence, collapse, or fire had not occurred. This additional amount would differ from the regular relocation payments in that its cost would not be wholly borne by the Federal Government; the locality's share of such amount (one-fourth or one-third) would have to be paid just as in the case of other items of project cost. Outstanding contracts could be amended to provide for this additional payment in cases where the project involved has not been completed on the date the bill is enacted.

TITLE IV—HOUSING FOR LOW-INCOME FAMILIES

Section 401. Eligibility of displaced individuals for low-rent public housing

This section amends section 2(2) of the United States Housing Act of 1937 to provide that single low-income persons displaced by urban renewal or other governmental action shall be eligible for admission to low-rent housing regardless of their age or disability status. Under present law a single person is eligible for such housing only if he is elderly or disabled or is the remaining member of a tenant family.

Section 402. Additional subsidy for urban renewal and low-rent housing displacees

This section amends section 10(a) of the United States Housing Act of 1937 to authorize a special subsidy of up to \$120 per dwelling unit per year, similar to the existing special subsidy for the elderly, where a dwelling unit is occupied by a family which is displaced by an urban renewal or low-rent housing project on or after January 27, 1964. However, such subsidy would be payable only if and to the extent that the rental of the dwelling unit involved is less than the rental that would have been established in leasing the same unit to another family which is neither elderly nor displaced.

Section 403. Increase in authorization for annual contributions

This section amends section 10(e) of the United States Housing Act of 1937 to increase by \$27 million the existing limit on the aggregate amount of contracts for annual contributions which may be entered into by PHA under the low-rent housing program. This increase would provide about 35,000 additional units of low-rent housing.

Section 404. Payments in lieu of taxes by local housing authorities; local contributions

This section amends section 10(h) of the United States Housing Act of 1937, which requires tax exemption for low-rent housing projects but permits a limited payment in lieu of taxes by the local public housing agency, in order to eliminate the provision which presently prohibits any such payment in lieu of taxes if it would reduce the value of the tax exemption to less than 20 percent of the Federal contribution. The effect of the amendment is to permit some payments in lieu of taxes in localities (particularly small towns) where tax rates are generally low and which therefore are presently prevented by the 20-percent provision from receiving such payments.

Section 405. Relocation of families and individuals displaced from project sites

This section amends section 15(7)(b) of the United States Housing Act of 1937 to establish for the low-rent housing program the same basic requirements for relocating displaced families and individuals as those which are applicable under the urban renewal program (as amended by title III of the bill). Under these requirements there would have to be a feasible method for relocating the individuals and families to be displaced from project sites, and enough decent, safe, and sanitary housing of suitable type and location to meet their needs.

Section 406. Relocation payments

This section adds to section 15 of the United States Housing Act of 1937 a new paragraph (8), providing relocation payments to families, individuals, businesses, and nonprofit organizations displaced from low-rent housing project sites. These payments would be made on the same basis and subject to the same limitations as relocation payments under section 114 of the Housing Act of 1949 (as added by sec. 306 of the bill). They could be made only where similar payments are not otherwise authorized under Federal law. Their cost would be included with development costs in computing the amount of the annual contributions for the project involved, but would be separately stated as relocation costs and excluded from the annual contributions computation in determining whether the statutory requirement for a local contribution has been met.

Section 407. Low-income housing demonstration program authorization

This section amends section 207 of the Housing Act of 1961 to increase from \$5 million to \$10 million the amount authorized for grants by the HHFA Administrator to assist in developing and demonstrating new and improved means of providing housing for low-income persons and families (including handicapped families, under the amendment made by sec. 203(e) of the bill).

TITLE V—RURAL HOUSING

Section 501. Extension of senior citizens rental housing insurance program

This section amends section 515(b)(5) of the Housing Act of 1949 to extend until June 30, 1965, the existing authority of the Secretary of Agriculture to insure loans made to provide rental housing and related facilities for the elderly in rural areas. Under present law this authority expires September 30, 1964.

Section 502. Rural housing direct loan program

Subsection (a) amends section 511 of the Housing Act of 1949 to increase by \$150 million (from \$700 million to \$850 million) the Secretary of Agriculture's authority to obtain funds for direct loans (other than minor improvement and rental housing loans) under the farm housing program. Of this total amount, \$50 million (the same as in present law) would be available exclusively for assistance to elderly persons.

Subsection (b) amends section 502(a) of the 1949 Act to limit to \$15,000 the principal amount of any housing loan made by the Secretary under the program. This would apply to loans made for housing on potentially adequate farms under section 503 (and, to the extent appropriate, to loans made under certain other provisions in title V of the 1949 act) as well as to the regular farm housing loans made under section 502.

Section 503. Definition of domestic farm labor

This section amends section 514(f)(3) of the Housing Act of 1949 to include within the term "domestic farm labor," for purposes of the section 514 program of insured loans for domestic farm labor housing, noncitizen farm laborers who have been admitted to the United States for permanent residence as well as those who are citizens.

TITLE VI—FEDERAL-STATE TRAINING PROGRAMS

This title establishes a new system of Federal-State training programs designed to develop the skills needed for economic and efficient community development and to provide new and improved methods of dealing with community development problems.

Section 601. Findings and purpose

Subsection (a) states the finding of Congress that rapid urban expansion has caused severe problems in urban and suburban development and has created a national need for training in skills needed for economic and efficient community development and for research in methods of dealing with community development problems.

Subsection (b) declares it to be the purpose of the title to assist and encourage the States, in cooperation with colleges, universities, and urban centers, to develop programs which will provide this training to technical and professional people who are or may be employed by a public body having community development responsibilities, and to support State and local research in connection with all community development problems.

Section 602. Matching grants to States

Subsection (a) authorizes the Housing and Home Finance Administrator to make grants to States to assist in carrying out the stated purpose of the title.

Subsection (b) requires a State, in order to receive such a grant, to secure the Administrator's approval of a State plan setting forth the proposed use of the funds and the objectives to be accomplished, indicating the method by which the required non-Federal financing will be obtained, providing fiscal control and accounting procedures, designating the State officer or agency to administer the program, and providing for appropriate reports.

Subsection (c) requires that each Federal grant be matched by at least an equal amount from non-Federal sources for the same purpose and for concurrent use.

Subsection (d) authorizes \$10 million, without fiscal year limitation, for such grants.

Section 603. State limit

This section limits to 10 percent of the total authorization the amount of the funds made available under section 602(d) which may be used for making grants to any one State.

Section 604. Technical assistance, studies, and publication of information

This section authorizes the Administrator to provide technical assistance to State and local public bodies, to undertake studies, and to publish and distribute information in carrying out the purpose of the title.

Section 605. Miscellaneous

Subsection (a) defines the term "State" to include the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

Subsection (b) authorizes necessary appropriations for administrative and other expenses.

TITLE VII—COMMUNITY FACILITIES

Section 701. Public facility loans

Subsection (a) amends section 202(a) of the Housing Amendments of 1955 to make it clear that instrumentalities of one or more States, and instrumentalities of municipalities or other political subdivisions in one or more States, are not precluded from receiving assistance under the public facility loan program if they are otherwise eligible.

Subsection (b) amends section 202 of the 1955 amendments to make assistance under the program available to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas without regard to the aggregate population of the communities involved so long as each of such communities is within the applicable population limits.

Section 702. Advances for public works planning

Subsection (a) amends section 702(e) of the Housing Act of 1954 to require that all repayments and other receipts received in connection with advances made under the first advance planning program (title V of the War Mobilization and Reconversion Act of 1944) and the second advance planning program (the act of October 13, 1949) shall hereafter be placed in the revolving fund established under the third program (sec. 702) rather than in the revolving fund for liquidating programs established by title II of the Independent Offices Appropriation Act of 1955, as presently required. It also authorizes the appropriation of an additional \$20 million to the section 702 revolving fund for purposes of the program.

Subsection (b) adds to section 702 of the 1954 act a new subsection (h), providing that a public agency which constructs only a portion of a public work planned with an advance under any of the three programs need repay only such portion of the advance as the HHFA Administrator determines to be equitable. The new subsection (h) also authorizes the Administrator to terminate all or any portion of a public agency's liability to repay an advance made under any of the three programs upon terms and conditions which he deems equitable, and to terminate any agreement for such an advance whenever he determines that there is no reasonable likelihood that the public work planned will be constructed.

Subsection (c) amends section 702 of the 1954 act to make Indian tribes eligible for public works planning advances under the section 702 program; eligibility for such advances is presently limited to States, municipalities, and other public agencies of States (including certain regional and metropolitan authorities).

Subsection (d) amends section 702(f) of the 1954 act to increase from \$50,000 to \$100,000 the amount available to the Administrator to conduct surveys of the status and current volume of State and local public works planning.

Subsection (e) amends section 702(a) of the 1954 act to make it clear that advances may be made under the section 702 program for the planning of medical centers.

Subsection (f) amends section 702(b) of the 1954 act to eliminate the requirement (which has become unnecessary) that each applicant for a planning grant establish a separate planning account.

TITLE VIII—SAVINGS AND LOAN ASSOCIATIONS

Section 801

Subsection (a) amends section 5(c) of the Home Owners' Loan Act of 1933 to extend the basic lending area of a federally chartered savings and loan association to 100 miles (rather than 50 miles as at present) from its home office.

Subsection (b) makes a similar amendment (relating to State-chartered savings and loan associations) to section 403(b) of the National Housing Act.

Section 802

This section amends section 5(c) of the Home Owners' Loan Act of 1933 to increase from \$35,000 to \$40,000 the maximum loan which can be made by a federally chartered savings and loan association on a single-family home. It also removes the existing limitation (of 30 percent of the association's assets) on the aggregate amount which a federally chartered savings and loan association may lend outside its basic lending area or invest in participating interests in first liens; each of these types of investment (loans outside the basic lending area, and investments in participating interests) would, however, continue to be subject to the existing limitation of 20 percent of the association's assets.

Section 803

This section amends section 5(c) of the Home Owners' Loan Act of 1933 to permit a federally chartered savings and loan association to invest up to 5 percent of its assets in property (or interests in property) located in urban renewal areas and obligations secured by first liens on real property located in such areas (with a maximum investment in real property or interests therein of 2 percent of the association's assets). This provision replaces the existing provision authorizing investments in urban renewal trust certificates.

Section 804

This section amends section 5(c) of the Home Owners' Loan Act of 1933 to permit a federally chartered savings and loan association to make loans secured by a leasehold if the term of the leasehold does not expire, or is renewable so as not to expire, for at least 15 years beyond the maturity of the loan (or for such shorter period as the Federal Home Loan Bank Board may prescribe by regulation).

Section 805

This section amends section 5(c) of the Home Owners' Loan Act of 1933 to permit a federally chartered savings and loan association to invest up to 2 percent of its assets in a corporation organized in the State where the association's home office is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations chartered in that State and Federal associations having their home offices therein.

Section 806

This section amends section 10(b) of the Federal Home Loan Bank Act to permit a Federal home loan bank to accept as collateral for advances to its members nonfederally insured or guaranteed home mortgages with maturities of up to 30 years and amounts up to \$40,000 (instead of 25 years and \$35,000 as at present).

Section 807

This section amends section 5(c) of the Home Owners' Loan Act of 1933 to permit a federally chartered savings and loan association to invest in Government and municipal bonds.

Section 808

This section amends section 5(c) of the Home Owners' Loan Act of 1933 to permit a federally chartered savings and loan association to invest up to 20 percent of its assets (instead of 15 percent as at present) in FHA-insured home improvement loans, VA-insured or guaranteed loans, and other loans for property, alteration, repair, or improvement. The maximum amount of any such loan which is not insured or guaranteed by FHA or VA would be increased from \$3,500 to \$5,000.

Section 809

This section adds to title IV of the National Housing Act a new section 409, authorizing the investment of public funds of or under the control of the United States, and funds of corporations organized under Federal law, in insured accounts held by savings and loan associations.

TITLE IX—MISCELLANEOUS

Section 901. FNMA—removal of \$20,000 mortgage amount limitation

This section amends section 302(b) of the National Housing Act to eliminate the statutory limit of \$20,000 per family residence or dwelling unit on mortgages purchased by FNMA in its secondary market operations. (The \$17,500 limit on mortgages purchased under FNMA's special assistance functions, and the exemptions for mortgages insured under sec. 220, title VIII, and sec. 213 and for mortgages on properties in Alaska, Guam, and Hawaii, are not changed.)

Section 902. FNMA. 90-percent loans

This section amends section 304(a)(2) of the National Housing Act to increase, from 80 to 90 percent of the unpaid principal amount of the mortgage which constitutes the security therefor, the maximum amount of any short-term loan made by FNMA in its secondary market operations.

Section 903. Open-space program—grant authorization

This section amends section 702(b) of the Housing Act of 1961 to increase by \$25 million (from \$50 to \$75 million) the total amount of grants which may be made by the Housing and Home Finance Administrator under the open-space land program, and to provide that any amounts appropriated for grants under such program will remain available until expended.

Section 904. College housing loans

This section amends section 404(b) of the Housing Act of 1950 to provide that, where State law would prevent an educational institution or institutions from cosigning the note as presently required in cases where a college housing loan is made to a nonprofit corporation rather than directly to the institution or institutions for which the housing is to be constructed, the loan may nevertheless be made if the institution (or any one or more of the institutions) approves the corporation and the proposed project.

Section 905. Acquisition of certain housing by Secretary of Defense

This section amends section 404(a) of the Housing Amendments of 1955 to authorize the Secretary of Defense to acquire housing covered by mortgages insured under section 608 of the National Housing Act (including adjacent commercial property) which was completed before July 1, 1952, and which is situated on or adjacent to a military installation and is considered by the Secretary as necessary military housing, in the same way that he is authorized under present law to acquire Wherry Act housing and section 207 rental housing.

Section 906. Forest Hills project in Paducah, Ky.

This section directs the Federal Housing Commissioner to sell the Forest Hills (Wherry Act) housing project in Paducah, Ky., for use as a public facility (including use by the Paducah Junior College), to the Paducah-McCracken County Development Council for a total price of \$1 million.

Section 907. Payment in lieu of taxes by Hawaii Housing Authority

This section directs the Public Housing Commissioner to approve the payment in lieu of taxes to be made by the Hawaii Housing Authority to the city and county of Honolulu for the fiscal year ending June 30, 1959.

Section 908. Transfer of land for urban renewal purposes by Philadelphia Housing Authority

This section directs the Housing and Home Finance Administrator and the Public Housing Commissioner to consent to the transfer by the Philadelphia Housing Authority to the Philadelphia Redevelopment Authority, for use in the Whitman urban renewal project (Pennsylvania R-35), the property which was originally acquired by the Housing Authority for low-rent housing project Pennsylvania 2-51. Such transfer would be on condition that the redevelopment authority pay a sum sufficient to permit the discharge of all of the housing authority's obligations owing in connection with the low-rent housing project.

Section 909. Eligibility of certain local grants-in-aid

This section (by waiving the 3-year limit on eligibility) provides that local expenditures made in connection with the construction of the Fox Point hurricane dam in Providence, R.I., shall be counted (to the extent otherwise eligible) as part of the local noncash grant-in-aid for the railroad relocation urban renewal project (Rhode Island R-8) under title I of the Housing Act of 1949.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

NATIONAL HOUSING ACT

* * * * *

TITLE II—MORTGAGE INSURANCE

* * * * *

INSURANCE OF MORTGAGES

SEC. 203. (a) * * *

(b) To be eligible for insurance under this section a mortgage shall—

(1) Have been made to, and be held by, a mortgagee approved by the Commissioner as responsible and able to service the mortgage properly.

(2) Involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed **[\$25,000]** *\$30,000* in the case of property upon which there is located a dwelling designed principally for a one-family residence; or **[\$27,500]** *\$32,500* in the case of of a two-family residence (whether or not such one- or two-family residence may be intended to be rented temporarily for school purposes); or **[\$27,500]** *\$32,500* in the case of a three-family residence; or **[\$35,000]** *\$37,500* in the case of a four-family residence; and not to exceed an amount equal to the sum of (i) 97 per centum (but, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction, **[90]** *92* per centum) of \$15,000 of the appraised value of the property, as of the date the mortgage is accepted for insurance, (ii) **[90]** *92½* per centum of such value in excess of \$15,000 but not in excess of \$20,000, and (iii) **[75]** *80* per centum of such value in excess of \$20,000.

* * * * *

(i) The Commissioner is authorized to insure under this section, any mortgage meeting the requirements of subsection (b) of this section, except as modified by this subsection, which involves a principal obligation not in excess of **[\$9,000]** *\$11,000* and not in excess of 97

per centum (or, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance or the dwelling was approved for guaranty, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction, 90 per centum) of the appraised value of a property located in an area where the Commissioner finds it is not practicable to obtain conformity with many of the requirements essential to the insurance of mortgages on housing in built-up urban areas, upon which there is located a dwelling designed principally for a single-family residence: *Provided*, That if the mortgagor is not the occupant of the property at the time of insurance, the principal obligation of the mortgage shall not exceed 85 per centum of the appraised value of the property: *Provided further*, That the Commissioner finds that the property with respect to which the mortgage is executed is an acceptable risk, giving consideration to the need for providing adequate housing for families of low and moderate income particularly in suburban and outlying areas or small communities: *Provided further*, That under the foregoing provisions of this subsection the Commissioner is authorized to insure any mortgage issued with respect to a farm home on a plot of land five or more acres in size adjacent to a public highway.

* * * * *

(k) To supplement the mortgage insurance provisions of this section in order to assist the conservation, improvement, and alteration of housing, the Commissioner is authorized to make commitments to insure and to insure a home improvement loan (including advances during construction or improvement) under this subsection in accordance with the provisions of section 220(h), except that (1) the structures improved shall be designed for occupancy by not more than four families and shall not be required to be located in the area of an urban renewal project, (2) the Commissioner shall find that the project with respect to which the loan is executed is [economically sound] *an acceptable risk*, (3) all funds received and all disbursements made shall be credited or charged, as appropriate, to a separate Section 203 Home Improvement Account to be maintained as hereinafter provided under the Mutual Mortgage Insurance Fund, and (4) insurance benefits shall be paid in debentures executed in the name of the Section 203 Home Improvement Account. For the purposes of this subsection, the Commissioner shall have all the authority provided in section 220(h). Debentures issued with respect to loans insured under this subsection shall be issued in accordance with sections 220(h)(6) and 220(h)(7), except that as applied to those loans references in section 220(h) to "this subsection" shall be construed to refer to this section 203(k), references to the Section 220 Home Improvement Account shall be construed to refer to the Section 203 Home Improvement Account, and references to the Section 220 Housing Insurance Fund shall be construed to refer to the Mutual Mortgage Insurance Fund. All of the provisions in section 220(h)(4) relative to the Section 220 Home Improvement Account shall be equally applicable to the Section 203 Home Improvement Account. There is hereby created a separate Section 203 Home Improvement Account under the Mutual Mortgage Insurance Fund which shall be used by the Commissioner as a revolving fund for

carrying out the provisions of this subsection, and the Commissioner is authorized to transfer to such Account the sum of \$1,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this Act. The provisions of section 205(c) shall not be applicable to loans insured under this subsection.

PAYMENT OF INSURANCE

SEC. 204. (a) In any case in which the mortgagee under a mortgage insured under section 203 or section 210 shall have foreclosed and taken possession of the mortgaged property in accordance with regulations of, and within a period to be determined by, the Commissioner, or shall, with the consent of the Commissioner, have otherwise acquired such property from the mortgagor after default, the mortgagee shall be entitled to receive the benefit of the insurance as hereinafter provided, upon (1) the prompt conveyance to the Commissioner of title to the property which meets the requirements of rules and regulations of the Commissioner in force at the time the mortgage was insured, and which is evidenced in the manner prescribed by such rules and regulations, and (2) the assignment to him of all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction or foreclosure proceedings, except such claims as may have been released with the consent of the Commissioner. Upon such conveyance and assignment the obligation of the mortgagee to pay the premium charges for insurance shall cease and the Commissioner shall, subject to the cash adjustment hereinafter provided, issue to the mortgagee debentures having a total face value equal to the value of the mortgage and a certificate of claim, as hereinafter provided. For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Commissioner, by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of the institution of foreclosure proceedings, or on the date of the acquisition of the property after default other than by foreclosure, the amount of all payments which have been made by the mortgagee for taxes, ground rents, and water rates, which are liens prior to the mortgage, special assessments which are noted on the application for insurance or which become liens after the insurance of the mortgage, insurance on the mortgaged property, and any mortgage insurance premiums paid after either of such dates, and any tax imposed by the United States upon any deed or other instrument by which said property was acquired by the mortgagee and transferred or conveyed to the Commissioner, and by deducting from such total amount any amount received on account of the mortgage after either of such dates, and any amount received as rent or other income from the property, less reasonable expenses incurred in handling the property, after either of such dates: *Provided*, That with respect to mortgages which are accepted for insurance under section 203(b)(2) (B) of this Act, and which are foreclosed before there shall have been paid on account of the principal obligation of the mortgage a sum equal to 10 per centum of the appraised value of the property as of the date the mortgage was accepted for insurance, there may be included in the debentures issued by the Commissioner, on account of foreclosure costs actually paid by the mortgagee and approved by the Commissioner an amount not in excess of 2 per centum of the unpaid principal of the mortgage as of the date of the institution of foreclosure proceedings,

but in no event in excess of \$75: *And provided further*, That with respect to mortgages which are accepted for insurance under section 203 (b)(2)(D) or under the second proviso of section 207(c)(2) of this Act, or under section 213 of this Act, or with respect to any mortgage accepted for insurance under section 203 on or after the effective date of the Housing Act of 1954, there may be included in the debentures issued by the Commissioner on account of the cost of foreclosure (or of acquiring the property by other means) actually paid by the mortgagee and approved by the Commissioner an amount, not in excess of two-thirds of such cost or \$75 whichever is the greater: *And provided further*, That with respect to mortgages to which the provisions of sections 302 and 306 of the Soldiers' and Sailors' Civil Relief Act of 1940, as now or hereafter amended, apply and which are insured under section 203 of the National Housing Act, as now or hereafter amended, and subject to such regulations and conditions as the Commissioner may prescribe, there shall be included in the debentures an amount which the Commissioner finds to be sufficient to compensate the mortgagee for any loss which it may have sustained on account of interest on debentures and the payment of insurance premiums by reason of its having postponed the institution of foreclosure proceedings or the acquisition of the property by other means during any part or all of the period of such military service and three months thereafter: *And provided further*, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor and it is probable that the mortgage will be restored to good standing within a reasonable period of time, he may, under such regulations and conditions as he may prescribe, extend the time for curing default and enter into an agreement with the mortgagee providing that if the mortgage is subsequently foreclosed, any interest accruing after the date of the agreement which is not paid by the mortgagor may be included in the debentures: *And provided further*, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor, he may, upon such terms and conditions as he may prescribe, (1) approve the request of the mortgagee for an extension of the time for the curing of the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property to such time as the Commissioner may determine is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means the Commissioner is authorized to include in the debentures an amount equal to any unpaid mortgage interest, or (2) approve a modification of the terms of the mortgage for the purpose of changing the amortization provisions by recasting, over the remaining term of the mortgage or over such longer period as may be approved by the Commissioner, the total unpaid amount then due, as determined by the Commissioner, with the modification to become effective currently or to become effective upon the termination of an agreed-upon extension of the period for curing the default; and the principal amount of the mortgage, as modified, shall be considered to be the 'original principal obligation

of the mortgage' as that term is used in this Act for the purpose of computing the total face value of the debentures to be issued or the cash payment to be made by the Commissioner to a mortgagee' And provided further, That, notwithstanding any requirement contained in this Act that debentures may be issued only upon acquisition of title and possession by the mortgagee and its subsequent conveyance and transfer to the Commissioner, and for the purpose of avoiding unnecessary conveyance expense in connection with payment of insurance benefits under the provisions of this Act, the Commissioner is authorized, subject to such rules and regulations as he may prescribe, to permit the mortgagee to tender to the Commissioner a satisfactory conveyance of title and transfer of possession direct from the mortgagor or other appropriate grantor and to pay the insurance benefits to the mortgagee which it would otherwise be entitled to if such conveyance had been made to the mortgagee and from the mortgagee to the Commissioner.

* * * * *

RENTAL HOUSING INSURANCE

SEC. 207. (a) * * *

* * * * *

(c) To be eligible for insurance under this section a mortgage on any property or project shall involve a principal obligation in an amount—

(1) not to exceed \$20,000,000, or, if executed by a mortgagor coming within the provisions of paragraph numbered (b) (1) of this section, not to exceed \$50,000,000;

(2) not to exceed 90 per centum of the estimated value of the property or project (when the proposed improvements are completed): **[***Provided*, That except with respect to a mortgage executed by a mortgagor coming within the provisions of paragraph numbered (b) (1) of this section or a mortgage on a trailer court or park, such mortgage shall not exceed the amount which the Commissioner estimates will be the cost of the completed physical improvements on the property or project exclusive of public utilities and streets and organization and legal expenses: *And provided further*, That the above limitations in this paragraph (2) shall not apply**]** *Provided*, That this limitation shall not apply to mortgages on housing in Alaska, or in Guam, but such a mortgage may involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the value of the property or project as such term is used in this paragraph may include the land, the proposed physical improvements, utilities within the boundaries of the property or project, architect's fees, taxes, and interest accruing during construction, and other miscellaneous charges incident to construction and approved by the Commissioner): *And provided further*, That nothing contained in this section shall preclude the insurance of mortgages covering existing construction located in slum or blighted areas, as defined in paragraph numbered (5) of subsection (a) of this section, and the Commissioner may require such repair or rehabilitation work to be completed as is, in his discretion, necessary to remove conditions detrimental to safety, health, or morals; and

[(3) Not to exceed, for such part of such property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$2,500 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit) or not to exceed \$1,800 per space or \$500,000 per mortgage for trailer courts or parks: *Provided*, That as to projects to consist of elevator type structures, the Commissioner may, in his discretion, increase the dollar amount limitation of \$2,500 per room to not to exceed \$3,000 per room and the dollar amount limitation of \$9,000 per family unit to not to exceed \$9,400 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator type structures of sound standards of construction and design; except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed \$1,250 per room without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require.]

(3) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms or not to exceed \$1,800 per space or \$500,000 per mortgage for trailer courts or parks; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require.

* * * * *

(f) There is hereby created a Housing Insurance Fund (herein referred to as the "Housing Fund") which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section and sections 210, 213, 231, and 232 and the Commissioner is hereby directed to transfer immediately to such Housing Fund the sum of \$1,000,000 from that part of the Fund now held by him arising from appraisal fees heretofore collected by him. General expenses of operations of the Federal Housing Administration under this section and sections 210, 213, 231, and 232 may be charged to the Housing Fund. *This subsection shall not be applicable to a mortgage or loan, insured under section 213, the mortgage or loan insurance for which is the obligation of the Cooperative Management Housing Insurance Fund.*

* * * * *

LABOR STANDARDS

SEC. 212. (a) The Commissioner shall not insure under section 207 or section 210 of this title, or under section 608 of title VI, pursuant to any application for insurance filed subsequent to the effective date of this section, or under section 213 of this title, or under title VII pursuant to any application filed subsequent to sixty days after the date of enactment of the Housing Act of 1950, or under section 803 or 810 of title VIII, or under section 908 of title IX, a mortgage or investment which covers property on which there is or is to be located a dwelling or dwellings, or a housing project, the construction of which was or is to be commenced subsequent to such date, unless the principal contractor files a certificate or certificates (at such times, in course of construction or otherwise, as the Commissioner may prescribe) certifying that the laborers and mechanics employed in the construction of the dwelling or dwellings or the housing project involved have been paid not less than the wages prevailing in the locality in which the work was performed for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor prior to the beginning of construction and after the date of the filing of the application for insurance. The provisions of this section shall also apply to the insurance of any loan or mortgage under section 220 or section 233 which covers property on which there is located a dwelling or dwellings designed principally for residential use for twelve or more families. The provisions of this section shall apply to the insurance under section 221 of any mortgage described in subsection (d)(3) in the case of a cooperative or a limited profit mortgagor, or in subsection (d)(4) thereof. The provisions of this section shall also apply to the insurance of any mortgage under section 231 or 232 except that compliance with such provisions may be waived by the Commissioner in cases or classes of cases where laborers or mechanics, not otherwise employed at any time on the project, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Commissioner determines that any amounts thereby saved are fully credited to the nonprofit corporation, association, or other organization undertaking the construction. *The provisions of this section shall also apply to the insurance of any mortgage under section 234(d).*

* * * * *

COOPERATIVE HOUSING INSURANCE

SEC. 213. (a) In addition to mortgages insured under section 207 of this title, the Commissioner is authorized to insure mortgages as defined in section 207(a) of this title (including advances on such mortgages during construction), which cover property held by—

(1) a nonprofit cooperative ownership housing corporation or nonprofit cooperative ownership housing trust, the permanent occupancy of the dwellings of which is restricted to members of such corporation or to beneficiaries of such trust;

(2) a nonprofit corporation or nonprofit trust organized for the purpose of construction of homes for members of the corporation or for beneficiaries of the trust; or

(3) a mortgagor, approved by the Commissioner, which (A) has certified to the Commissioner, as a condition of obtaining the insurance of a mortgage under this section, that upon completion of the property or project covered by such mortgage it intends to sell such property or project to a nonprofit corporation or nonprofit trust of the character described in paragraph (1) of this subsection at the actual cost of such property or project as certified pursuant to section 227 of this Act and will faithfully and diligently make and carry out all reasonable efforts to consummate such sale, and (B) shall be regulated or restricted by the Commissioner as to rents, charges, capital structure, rate of return, and methods of operation during any period while it holds the mortgaged property or project; and for such purpose the Commissioner may make such contracts with, and acquire for not to exceed \$100 such stock or interest in, any such mortgagor as the Commissioner may deem necessary to render effective such restriction or regulation, such stock or interest to be paid for out of the Housing Fund and to be redeemed by such mortgagor at par upon the sale of such property or project to such nonprofit corporation or nonprofit trust;

which corporations or trusts referred to in paragraphs (1) and (2) of this subsection are regulated or restricted for the purposes and in the manner provided in paragraphs numbered (1) and (2) of subsection (b) of section 207 of this title: *Provided, That as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund, the reference to the Housing Fund in section 207(b)(2) shall be construed to refer to the Management Fund.*

(b) To be eligible for insurance under this section a mortgage on any property or project of a corporation or trust of the character described in paragraph numbered (1) of subsection (a) of this section shall involve a principal obligation in an amount—

(1) not to exceed \$20,000,000, or not to exceed \$25,000,000 if the mortgage is executed by a mortgagor regulated or supervised under Federal or State laws or by political subdivisions of States or agencies thereof, as to rents, charges, and methods of operations; and

[(2) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$2,500 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided, That as to projects which consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitation of \$2,500 per room to not to exceed \$3,000 per room and the dollar amount limitation of \$9,000 per family unit to not to exceed \$9,400 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: Provided further, That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations by not to exceed \$1,250 per room, without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require*]

(2) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms, and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided, That as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: Provided further, That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require: Provided further, That in the case of a mortgagor of the character described in paragraph (3) of subsection (a) the mortgage shall involve a principal obligation in an amount not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: And provided further, That upon the sale of a property or project by a mortgagor of the character described in paragraph (3) of subsection (a) to a non-profit cooperative ownership housing corporation or trust within two years after the completion of such property or project the mortgage given to finance such sale shall involve a principal obligation in an amount not to exceed the maximum amount computed in accordance with this subsection without regard to the preceding proviso.*

(c) To be eligible for insurance under this section a mortgage on any property or project of a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section shall involve a principal obligation in an amount not to exceed \$12,500,-000 and not to exceed the greater of the following amounts:

(1) A sum computed on the basis of a separate mortgage for each single family dwelling (irrespective of whether such dwelling has a party wall or is otherwise physically connected with another dwelling or dwellings) comprising the property or project, equal to the total of each of the maximum principal obligations of such mortgages which would meet the requirements of section 203 (b) (2) of this Act if the mortgagor were the owner and occupant who had made any required payment on account of the property prescribed in such paragraph.

(2) A sum equal to the maximum amount which does not exceed either of the limitations on the amount of the principal obligation of the mortgage prescribed by paragraph numbered (2) of subsection (b) of this section.

(d) Any mortgage insured under this section shall provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe but not to exceed forty years from the

beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed $5\frac{1}{4}$ per centum per annum, except that individual mortgages insured pursuant to this subsection covering the individual dwellings in the project may bear interest at not to exceed $5\frac{3}{4}$ per centum per annum, on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release, and a mortgage on any project of a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section may provide that, at any time after the completion of the construction of the project, such mortgage may be replaced, in whole or in part, by individual mortgages covering each individual dwelling in the project in amounts not to exceed the unpaid balance of the blanket mortgage allocable to the individual property. Each such individual mortgage may be insured under this section. Property covered by a mortgage, insured under this section, on a property or project of a corporation or trust of the character described in paragraph numbered (1) of subsection (a) of this section may include five or more family units and may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants. Property held by a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section which is covered by a mortgage insured under this section may include such community facilities, and property held by a mortgagor of the character described in paragraph numbered (3) of subsection (a) of this section which is covered by a mortgage insured under this section may include such commercial and community facilities, as the Commissioner deems adequate to serve the occupants.

(e) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 of this title shall be applicable to mortgages insured under this section except individual mortgages insured pursuant to subsection (d) of this section covering the individual dwellings in the project, and as to such individual mortgages the provisions of subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 shall be applicable: *Provided, That as applied to mortgages or loans the insurance for which is the obligation of the Management Fund (1) all references to the Housing Insurance Fund or Housing Fund shall be construed to refer to the Management Fund, and (2) all references to section 207 shall be construed to refer to subsections (a)(1), (a)(3) (if the project involved is acquired by a cooperative corporation), (i), and (j) of this section.*

(f) The Commissioner is authorized, with respect to mortgages insured or to be insured under this section, to furnish technical advice and assistance in the organization of corporations or trusts of the character described in subsection (a) of this section and in the planning, development, construction, and operation of their housing projects.

(g) Nothing in this Act shall be construed to prevent the insurance of a mortgage under this section covering a housing project designed for occupancy by single persons, and dwelling units in such a project shall constitute family units within the meaning of this section.

(h) In the event that a mortgagor of the character described in paragraph (3) of subsection (a) obtains an insured mortgage loan

pursuant to this section and fails to sell the property or project covered by such mortgage to a nonprofit housing corporation or nonprofit housing trust of the character described in paragraph (1) of subsection (a) hereof, the Commissioner is authorized to refuse, for such period of time as he shall deem appropriate under the circumstances, to insure under this section any additional investor-sponsor type mortgage loans made to such mortgagor or to any other investor-sponsor mortgagor where, in the determination of the Commissioner, any of its stockholders were identified with such mortgagor.

(i) Nothing in this Act shall be construed to prevent the insurance of a mortgage executed by a mortgagor of the character described in paragraph (1) of subsection (a) of this section covering property upon which dwelling units and related facilities have been constructed prior to the filing of the application for mortgage insurance hereunder: *Provided*, That the Commissioner determines that the consumer interest is protected and that the mortgagor will be a consumer cooperative. In the case of properties other than new construction, the limitations in this section upon the amount of the mortgage shall be based upon the appraised value of the property for continued use as a cooperative rather than upon the Commissioner's estimate of the replacement cost. As to any project on which construction was commenced after the effective date of this subsection, the mortgage on such project shall be eligible for insurance under this section only in those cases where the construction was subject to inspection by the Commissioner and where there was compliance with the provisions of section 212 of this title. As to any project on which construction was commenced prior to the effective date of this subsection, such inspection, and compliance with the provisions of section 212 of this title, shall not be a prerequisite.

(j)(1) With respect to any property covered by a mortgage insured under this section (or any cooperative housing project covered by a mortgage insured under section 207 as in effect prior to the enactment of the Housing Act of 1950), the Commissioner is authorized, upon such terms and conditions as he may prescribe, to make commitments to insure and to insure supplementary cooperative loans (including advances during construction or improvement) made by financial institutions approved by the Commissioner. As used in this subsection, "supplementary cooperative loan" means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made for the purpose of financing any of the following:

(A) Improvements or repairs of the property covered by such mortgage; **[or]**

(B) Community facilities necessary to serve the occupants of the property **[.];** or

(C) *Cooperative purchases and resales of memberships in order to provide necessary refinancing for resales of memberships which involve increases in equity; but in such resales by the cooperative the downpayments by the new members shall not be less than those made on the original sales of such memberships.*

(2) To be eligible for insurance under this subsection, a supplementary cooperative loan shall—

(A) be limited to an amount which, when added to the outstanding mortgage indebtedness on the property, creates a total

outstanding indebtedness which does not exceed the original principal obligation of the mortgage;

(B) have a maturity satisfactory to the Commissioner but not to exceed the remaining term of the mortgage;

(C) be secured in such manner as the Commissioner may require;

(D) contain such other terms, conditions, and restrictions as the Commissioner may prescribe; and

(E) represent the obligation of a borrower of the character described in paragraph (1) of subsection (a).

(k) *There is hereby created a Cooperative Management Housing Insurance Fund (hereinafter referred to as the "Management Fund"). The Management Fund shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section with respect to mortgages or loans insured, on or after the date of the enactment of this subsection, under subsections (a)(1), (a)(3) (if the project is acquired by a cooperative corporation), (i), and (j). The Management Fund shall also be used as a revolving fund for mortgages, loans, and commitments transferred to it pursuant to subsection (m). The Commissioner is directed to transfer to the Management Fund from the Housing Insurance Fund established pursuant to section 207(f) such amount as the Commissioner determines to be necessary and appropriate. General expenses of operation of the Federal Housing Administration relating to mortgages or loans which are the obligation of the Management Fund may be charged to the Management Fund.*

(1) *The Commissioner shall establish in the Management Fund, as of the date of the enactment of this subsection, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Management Fund, in any semiannual period, shall be credited or charged to the General Surplus Account or the Participating Reserve Account or both in such manner and amounts as the Commissioner may determine to be in accord with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Management Fund by payment of any mortgage or loan insured under this section, and at such time or times prior to such termination as the Commissioner may determine, the Commissioner is authorized to distribute to the mortgagor or borrower a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: Provided, That in no event shall the amount of the distributable share exceed the aggregate scheduled annual premiums of the mortgagor or borrower to the year of payment of the share less the total amount of any share or shares previously distributed by the Commissioner to the mortgagor or borrower: And provided further, That in no event may a distributable share be distributed until any funds transferred to the Management Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor, mortgagee, borrower, or lender shall have any vested right in a credit balance in any such account or be subject to any liability arising out of the mutuality of the Management Fund. The determination of the Commissioner as to the amount to be paid by him to any mortgagor or borrower shall be final and conclusive.*

(m) *The Commissioner is authorized to transfer to the Management Fund commitments for insurance issued under subsections (a) (1), (i),*

and (j) prior to the date of the enactment of this subsection, and to transfer to the Management Fund the insurance of any mortgage or loan insured prior to the date of the enactment of this subsection under subsection (a) (1), (a) (3) (if the project is acquired by a cooperative corporation), (i), or (j), but only in cases where the consent of the mortgagee or lender to the transfer is obtained or a request by the mortgagee or lender for the transfer is received by the Commissioner within such period of time after the date of the enactment of this subsection as the Commissioner shall prescribe: *Provided, That the insurance of any mortgage or loan shall not be transferred under the provisions of this subsection if on the date of the enactment of this subsection the mortgage or loan is in default and the mortgagee or lender has notified the Commissioner in writing of its intention to file an insurance claim. Any insurance or commitment not so transferred shall continue to be an obligation of the Housing Insurance Fund.*

(n) Notwithstanding the limitations contained in other provisions of this Act, premium charges for mortgages or loans insured under sections 207, 213, 231, and 232 may be payable in debentures issued in connection with mortgages or loans transferred to the Management Fund or in connection with mortgages or loans insured pursuant to commitments transferred to the Management Fund, as provided in subsection (m) of this section.

* * * * *

SEC. 219. Notwithstanding any limitations contained in other sections of this Act as to the use of moneys credited to the Title I Insurance Account, the Title I Housing Insurance Fund, the Section 203 Home Improvement Account, the Housing Insurance Fund, the War Housing Insurance Fund, the Housing Investment Insurance Fund, the Armed Services Housing Mortgage Insurance Fund, the National Defense Housing Insurance Fund, the Section 220 Housing Insurance Fund, the Section 220 Home Improvement Account, the Section 221 Housing Insurance Fund, the Experimental Housing Insurance Fund, the Apartment Unit Insurance Fund, [or the Servicemen's Mortgage Insurance Fund] *the Servicemen's Mortgage Insurance Fund, or the General Surplus Account of the Cooperative Management Housing Insurance Fund,* the Commissioner is hereby authorized to transfer funds from any one or more of such insurance funds or accounts to any other such fund or account in such amounts and at such times as the Commissioner may determine, taking into consideration the requirements of such funds or accounts, separately and jointly to carry out effectively the insurance programs for which such funds or accounts were established.

REHABILITATION AND NEIGHBORHOOD CONSERVATION HOUSING INSURANCE

SEC. 220. (a) * * *

* * * * *

(d) To be eligible for insurance under this section a mortgage shall meet the following conditions:

(1) * * *

* * * * *

(3) The mortgage shall—

(A) (i) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed ~~[\$25,000]~~ \$30,000 in the case of property upon which there is located a dwelling designed principally for a one-family residence; or ~~[\$27,500]~~ \$32,500 in the case of a two-family residence; or ~~[\$30,000]~~ \$32,500 in the case of a three-family residence; or ~~[\$35,000]~~ \$37,500 in the case of a four-family residence; or in the case of a dwelling designed principally for residential use for more than four families (but not exceeding such additional number of family units as the Commissioner may prescribe) ~~[\$35,000]~~ \$37,500 plus not to exceed \$7,000 for each additional family unit in excess of four located on such property; and not to exceed an amount equal to the sum of (1) 97 per centum (but, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance, ~~[90]~~ 92 per centum) of \$15,000 of the Commissioner's estimate of replacement cost of the property, as of the date the mortgage is accepted for insurance, (2) ~~[90]~~ 92½ per centum of such replacement cost in excess of \$15,000 but not in excess of \$20,000, (3) ~~[75]~~ 80 per centum of such replacement cost in excess of \$20,000: *Provided*, That in the case of properties other than new construction, the foregoing limitations upon the amount of the mortgage shall be based upon the sum of the estimated cost of repair and rehabilitation and the Commissioner's estimate of the value of the property before repair and rehabilitation rather than upon the Commissioner's estimate of the replacement cost: *Provided further*, That in no case involving refinancing shall such mortgage exceed such estimated cost of repair and rehabilitation and the amount (as determined by the Commissioner) required to refinance existing indebtedness secured by the property or project; eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness; or

(B)(i) not exceed ~~[\$20,000,000]~~ \$30,000,000 or, if executed by a mortgagor coming within the provisions of paragraph (2) (B) of this subsection (d), not exceed \$50,000,000; and

(ii) not exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost of the property or project may include the land, the proposed physical improvements, utilities within the boundaries of the property or project, architect's fees, taxes, and interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, and shall include an allowance for builder's and sponsor's profit and risk of 10 per centum of all the foregoing items except the land unless the Commissioner, after certification that such allowance is unreasonable, shall by regulation prescribe a lesser percentage): *Provided*, That in the case of properties other than new construction, the foregoing limitations upon the amount of the mortgage shall be

based upon the sum of the estimated cost of repair and rehabilitation and the Commissioner's estimate of the value of the property before repair and rehabilitation rather than upon the Commissioner's estimate of the replacement cost: *Provided further*, That in no case involving refinancing shall such mortgage exceed such estimated cost of repair and rehabilitation and the amount (as determined by the Commissioner) required to refinance existing indebtedness secured by the property or project;

[(iii) not exceed, for such part of such property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$2,500 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit): *Provided*, That as to projects to consist of elevator-type structures, the Commissioner may, in his discretion, increase the dollar amount limitation of \$2,500 per room to not to exceed \$3,000 per room and the dollar amount limitation of \$9,000 per family unit to not to exceed \$9,400 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further*, That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations by not to exceed \$1,250 per room without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require: *And provided further*, That nothing contained in this paragraph (B) shall preclude the insurance of mortgages covering existing multi-family dwellings to be rehabilitated or reconstructed for the purposes set forth in subsection (a) of this section; and]

(iii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require: *Provided*, That nothing contained in this subparagraph shall preclude the insurance of mortgages covering existing multifamily dwellings to be rehabilitated or reconstructed for the purposes set forth in subsection (a) of this section; and

* * * * *

(h)(1) To assist further in the conservation, improvement, repair, and rehabilitation of property located in the area of an urban renewal project, as provided in paragraph (1) of subsection (d) of this section,

the Commissioner is authorized upon such terms and conditions as he may prescribe to make commitments to insure and to insure home improvement loans (including advances during construction or improvement) made by financial institutions on and after the date of enactment of the Housing Act of 1961. [As used in this subsection, "home improvement loan" means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made for the purpose of financing the improvement of an existing structure (or in connection with an existing structure) which was constructed not less than ten years prior to the making of such loan, advance, or purchase, and which is used or will be used primarily for residential purposes: *Provided*, That a home improvement loan shall include a loan, advance, or purchase with respect to the improvement of a structure which was constructed less than ten years prior to the making of such loan, advance, or purchase if the proceeds are or will be used primarily for major structural improvements, or to correct defects which were not known at the time of the completion of the structure or which were caused by fire, flood, windstorm, or other casualty; "improvement" means conservation, repair, restoration, rehabilitation, conversion, alteration, enlargement, or remodeling; and "financial institution" means a lender approved by the Commissioner as eligible for insurance under section 2 or a mortgagee approved under section 203(b)(1).] As used in this subsection—

(A) the term "home improvement loan" means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made—

(i) for the purpose of financing the improvement of an existing structure (or in connection with an existing structure) which was constructed not less than ten years prior to the making of such loan, advance of credit, or purchase, and which is used or will be used primarily for residential purposes: *Provided*, That a home improvement loan shall include a loan, advance, or purchase with respect to the improvement of a structure which was constructed less than ten years prior to the making of such loan, advance, or purchase if the proceeds are or will be used primarily for major structural improvements, or to correct defects which were not known at the time of the completion of the structure or which were caused by fire, flood, windstorm, or other casualty; or

(ii) for the purpose of enabling the borrower to pay that part of the cost of the construction or installation of sidewalks, curbs, gutters, street paving, street lights, sewers, or other public improvements, adjacent to or in the vicinity of property owned by him and used primarily for residential purposes, which is assessed against him or for which he is otherwise legally liable as the owner of such property;

(B) the term "improvement" means conservation, repair, restoration, rehabilitation, conversion, alteration, enlargement, or remodeling; and

(C) the term "financial institution" means a lender approved by the Commissioner as eligible for insurance under section 2 or a mortgagee approved under section 203(b)(1).

(2) To be eligible for insurance under this subsection, a home improvement loan shall—

(i) not exceed the Commissioner's estimate of the cost of improvement, or \$10,000 per family unit, whichever is the lesser, *and be limited as required by paragraph (11);*

(ii) be limited to an amount which when added to any outstanding indebtedness related to the property (as determined by the Commissioner) creates a total outstanding indebtedness which does not exceed the limits provided in subsection (d)(3) for properties (of the same type) other than new construction ;

(iii) bear interest at not to exceed a rate prescribed by the Commissioner, but not in excess of 6 per centum per annum of the amount of the principal obligation outstanding at any time, and such other charges (including such service charges, appraisal, inspection, and other fees) as may be approved by the Commissioner;

(iv) have a maturity satisfactory to the Commissioner, but not to exceed twenty years from the beginning of amortization of the loan or three-quarters of the remaining economic life of the structure, whichever is the lesser;

(v) comply with such other terms, conditions, and restrictions as the Commissioner may prescribe; and

(vi) represent the obligation of a borrower who is the owner of the property improved, or a lessee of the property under a lease for not less than 99 years which is renewable or under a lease having [a period of not less than 50 years to run from the date of the loan] *an expiration date in excess of five years later than the maturity date of the loan.*

(3) Any home improvement loan insured under this subsection may be refinanced and extended in accordance with such terms and conditions as the Commissioner may prescribe, but in no event for an additional amount or term in excess of the maximum provided for in this subsection.

(4) There is hereby created a separate Section 220 Home Improvement Account to be maintained under the Section 220 Housing Insurance Fund and to be used by the Commissioner as a revolving fund for carrying out the provisions of this subsection. The Commissioner is authorized to transfer to such Account the sum of \$1,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this Act. Any premium charges, and appraisal and other fees received on account of the insurance of any home improvement loan accepted for insurance under this subsection, and the receipts derived from the sale, collection, deposit, or compromise of any evidence of debt, contract, claim, property, or security assigned to or held by the Commissioner in connection with the payment of insurance under this subsection, shall be credited to the Section 220 Home Improvement Account. Insurance claims under this subsection and expenses incurred in the handling, management, renovation, and disposal of any properties acquired by the Commissioner under this subsection shall be charged to the Section 220 Home Improvement Account. General expenses of operation of the Federal Housing Administration and other expenses incurred under this subsection may be charged to the Section 220

Home Improvement Account. Moneys in the Account not needed for the current operation of the Federal Housing Administration under this subsection shall be deposited with the Treasurer of the United States to the credit of the Account, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. In order to protect the solvency of the Section 220 Home Improvement Account, adequate security shall be taken in connection with loans insured under this subsection in such manner as the Commissioner may require.

(5) The Commissioner is authorized to fix a premium charge for the insurance of home improvement loans under this subsection but in the case of any such loan such charge shall not be less than an amount equivalent to one-half of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the loan outstanding at any time, without taking into account delinquent payments or prepayments. Such premium charges shall be payable by the financial institution either in cash or in debentures (at par plus accrued interest) issued by the Commissioner as obligations of the Section 220 Home Improvement Account, in such manner as may be prescribed by the Commissioner, and the Commissioner may require the payment of one or more such premium charges at the time the loan is insured, at such discount rate as he may prescribe not in excess of the interest rate specified in the loan. If the Commissioner finds upon presentation of a loan for insurance and the tender of the initial premium charge or charges so required that the loan complies with the provisions of this subsection, such loan may be accepted for insurance by endorsement or otherwise as the Commissioner may prescribe. In the event the principal obligation of any loan accepted for insurance under this subsection is paid in full prior to the maturity date, the Commissioner is authorized to refund to the financial institution for the account of the borrower all, or such portions as he shall determine to be equitable, of the current unearned premium charges theretofore paid.

(6) In cases of defaults on loans insured under this subsection, upon receiving notice of default, the Commissioner, in accordance with such regulations as he may prescribe, may acquire the loan and any security therefor upon payment to the financial institution in cash or in debentures (as provided in the loan insurance contract) of a total amount equal to the unpaid principal balance of the loan, plus any accrued interest, any advances approved by the Commissioner made previously by the financial institution under the provisions of the loan instruments, and reimbursement for such collection costs, court costs, and attorney fees as may be approved by the Commissioner.

(7) Debentures issued under this subsection shall be executed in the name of the Section 220 Home Improvement Account as obligor, shall be signed by the Commissioner, by either his written or engraved signature, shall be negotiable, and shall be dated as of the date the loan is assigned to the Commissioner and shall bear interest from that date. They shall bear interest at a rate established by the Commissioner pursuant to section 224, payable semiannually on the 1st day of January and the 1st day of July of each year, and shall mature ten years after their date of issuance. They shall be exempt from taxation as provided in section 207(i) with respect to

debentures issued under that section. They shall be paid out of the Section 220 Home Improvement Account which shall be primarily liable therefor and they shall be fully and unconditionally guaranteed as to principal and interest by the United States, and the guaranty shall be expressed on the face of the debentures. In the event the Section 220 Home Improvement Account fails to pay upon demand, when due, the principal of or interest on any debentures so guaranteed, the Secretary of the Treasury shall pay to the holders the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon, to the extent of the amount so paid, the Secretary of the Treasury shall succeed to all the rights of the holders of such debentures. Debentures issued under this subsection shall be in such form and denominations in multiples of \$50, shall be subject to such terms and conditions, and shall include such provisions for redemption, if any, as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury, and they may be in coupon or registered form. Any difference between the amount of the debentures to which the financial institution is entitled, and the aggregate face value of the debentures issued, not to exceed \$50, shall be adjusted by the payment of cash by the Commissioner to the financial institution from the Section 220 Home Improvement Account.

(8) The provisions of subsections (c), (d), and (h) of section 2 shall apply to home improvement loans insured under this subsection, and for the purposes of this subsection references in subsections (c), (d), and (h) of section 2 to "this section" or "this title" shall be construed to refer to this subsection.

(9)(A) Notwithstanding any other provisions of this Act, no home improvement loan executed in connection with the improvement of a structure for use as rental accommodations for five or more families shall be insured under this subsection unless the borrower has agreed (i) to certify, upon completion of the improvement and prior to final endorsement of the loan, either that the actual cost of improvement equaled or exceeded the proceeds of the home improvement loan, or the amount by which the proceeds of the loan exceed the actual cost, as the case may be, and (ii) to pay forthwith to the financial institution, for application to the reduction of the principal of the loan, the amount, if any, certified to be in excess of the actual cost of improvement. Upon the Commissioner's approval of the borrower's certification as required under this paragraph, the certification shall be final and incontestable, except for fraud or material misrepresentation on the part of the borrower.

(B) As used in subparagraph (A), the term "actual cost" means the cost to the borrower of the improvement, including the amounts paid for labor, materials, construction contracts, off-site public utilities, streets, organization and legal expenses, such allocations of general overhead items as are acceptable to the Commissioner, and other items of expense approved by the Commissioner, plus a reasonable allowance for builder's profit if the borrower is also the builder, as defined by the Commissioner, and excluding the amount of any kickbacks, rebates, or trade discounts received in connection with the improvement.

(10) Notwithstanding any other provision of this Act, the Commissioner is authorized and empowered (i) to make expenditures and advances out of funds made available by this Act to preserve and protect his interest in any security for, or the lien or priority of the lien securing, any loan or other indebtedness owing to, insured by, or acquired by the Commissioner or by the United States under this subsection, or section 2 or 203(k); and (ii) to bid for and to purchase at any foreclosure or other sale or otherwise acquire property pledged, mortgaged, conveyed, attached, or levied upon to secure the payment of any loan or other indebtedness owing to or acquired by the Commissioner or by the United States under this subsection or section 2 or 203(k). The authority conferred by this paragraph may be exercised as provided in the last sentence of section 204(g).

(11) *Notwithstanding any other provision of this Act, no home improvement loan made in whole or in part for the purpose specified in clause (A)(ii) of the second sentence of paragraph (1) shall be insured under this subsection if such loan (or the portion thereof which is attributable to such purpose), when added to the aggregate principal balance of any outstanding loans insured under this subsection or section 203(k) which were made to the same borrower for the purpose so specified (or the portion of such aggregate balance which is attributable to such purpose), would exceed \$10,000.*

HOUSING FOR MODERATE INCOME AND DISPLACED FAMILIES

SEC. 221. (a) * * *

* * * * *

(d) To be eligible for insurance under this section, a mortgage shall—
 (1) have been made to and be held by a mortgagee approved by the Commissioner as responsible and able to service the mortgage properly;

* * * * *

(3) if executed by a mortgagor which is a public body or agency (and which certifies that it is not receiving financial assistance from the United States exclusively pursuant to the United States Housing Act of 1937), a cooperative (including an investor-sponsor who meets such requirements as the Commissioner may impose to assure that the consumer interest is protected), or a limited dividend corporation (as defined by the Commissioner), or a private nonprofit corporation or association regulated or supervised under Federal or State laws or by political subdivisions of States, or agencies thereof, or by the Commissioner under a regulatory agreement or otherwise, as to rents, charges, and methods of operation, in such form and in such manner as in the opinion of the Commissioner will effectuate the purposes of this section, or a mortgagor approved by the Commissioner which (A) as a condition of obtaining the insurance of a mortgage under this section, and prior to the submission of its application for such insurance, has entered into an agreement, in form and substance satisfactory to the Commissioner, to sell the property or project covered by such mortgage (upon its completion) to a private nonprofit corporation, association, or other mortgagor approved by the Commissioner at the actual cost of the property or project as certified pursuant to section

227, and (B) is regulated or supervised by the Commissioner, under a regulatory agreement or otherwise, as to rents, charges, and methods of operation in such form and in such manner as in the opinion of the Commissioner will effectuate the purposes of this section—

(i) not exceed \$12,500,000;

[(ii) not exceed for such part of such property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$2,250 per room (or \$8,500 per family unit if the number of rooms in such property or project is less than four per family unit), except that the Commissioner may in his discretion increase the dollar amount limitation of \$2,250 per room to not to exceed \$2,750 per room, and the dollar amount limitation of \$8,500 per family unit to not to exceed \$9,000 per family unit, as the case may be, to compensate for higher costs incident to the construction of elevator-type structures of sound standards of construction and design, and except that the Commissioner may increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed \$1,000 per room without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require; and]

(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for a higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require; and

* * * * *

(4) if executed by a mortgagor other than a mortgagor referred to in subsection (d)(3), and which is approved by the Commissioner—

(i) not exceed \$12,500,000;

[(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$2,500 per room (or \$8,500 per family unit if the number of rooms in such property or project is less than four per family unit), except that the Commissioner may in his discretion increase the dollar amount limitation of \$2,250 per room to not to exceed \$2,750 per room, and the dollar amount limitation of \$8,500 per family unit to not to exceed \$9,000 per family unit, as the case may be, to compensate for higher costs incident to the construction of elevator type structures of sound standards of construction and design, and except that the Com-

missioner may increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed \$1,000 per room without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require;]

(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require;

* * * * * *

(f) The property or project shall comply with such standards and conditions as the Commissioner may prescribe to establish the acceptability of such property for mortgage insurance and may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants. A property or project covered by a mortgage insured under the provisions of subsection (d) (3) or (d) (4) shall include five or more family units. The Commissioner is authorized to adopt such procedures and requirements as he determines are desirable to assure that the dwelling accommodations provided under this section are available to families displaced from urban renewal areas or as a result of governmental action. Notwithstanding any provision of this Act, the Commissioner, in order to assist further the provision of housing for low and moderate income families, in his discretion and under such conditions as he may prescribe, may insure a mortgage which meets the requirements of subsection (d) (3) of this section as in effect after the date of enactment of the Housing Act of 1961, with no premium charge, with a reduced premium charge, or with a premium charge for such period or periods during the time the insurance is in effect as the Commissioner may determine, and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to reimburse the Section 221 Housing Insurance Fund for any net losses in connection with such insurance. No mortgage shall be insured under subsection (d) (2) or (d) (4) after July 1, 1965, or under subsection (d) (3) after July 1, 1965, except pursuant to a commitment to insure before that date, or except a mortgage covering property which the Commissioner finds will assist in the provision of housing for families displaced from urban renewal areas or as a result of governmental action. *Any person who is sixty-two years of age or over, or who is a handicapped person within the meaning of section 202 of the Housing Act of 1959, shall be deemed to be a family within the meaning*

of the terms "family" and "families" as those terms are used in this section.

* * * * *

MORTGAGE INSURANCE FOR SERVICEMEN

SEC. 222. (a) * * *

(b) To be eligible for insurance under this section a mortgage shall—

(1) meet the requirements of section [203(b) or 203(i)] *203(b), 203(i), or 221(d)(2)* except as such requirements are modified by this section;

(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed \$20,000, except that in the case of a mortgage meeting the requirements of section 203(i) [such principal obligation shall not exceed \$9,000] *or section 221(d)(2) such principal obligation shall not exceed the maximum limits prescribed for such section.*

* * * * *

MISCELLANEOUS HOUSING INSURANCE

SEC. 223. (a) * * *

* * * * *

(c) The Commissioner shall also have authority to insure under this title any mortgage assigned to him in connection with payment under a contract of mortgage insurance or executed in connection with the sale by him of any property acquired under title I, title II, title VI, title VII, title VIII, or title IX without regard to any [limitation upon eligibility contained in this title II] *limitations or requirements contained in this title upon the eligibility of the mortgage, upon the payment of insurance premiums, or upon the terms and conditions of insurance settlement and the benefits of the insurance to be included in such settlement (except that in any case the payment of insurance shall be in debentures).*

* * * * *

BUILDER'S COST CERTIFICATION

SEC. 227. Notwithstanding any other provisions of this Act, no mortgage covering new or rehabilitated multifamily housing shall be insured under this Act unless the mortgagor has agreed (a) to certify, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (i) that the approved percentage of actual cost (as those terms are herein defined) equaled or exceeded the proceeds of the mortgage loan or (ii) the amount by which the proceeds of the mortgage loan exceeded such approved percentage of actual cost, as the case may be, and (b) to pay forthwith to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, certified to be in excess of such approved percentage of actual cost. Upon the Commissioner's approval of the mortgagor's certification as required hereunder, such certification shall be final and incon-

testable, except for fraud or material misrepresentation on the part of the mortgagor. As used in this section—

(a) The term “new or rehabilitated multifamily housing” means a project or property approved for mortgage insurance prior to the construction or the repair and rehabilitation involved and covered by a mortgage insured or to be insured (i) under section 207, (ii) under section 213 with respect to any property or project of a corporation or trust of the character described in paragraph numbered (1) of subsection (a) thereof or with respect to any property or project of a mortgagor of the character described in paragraph (3) of subsection (a) thereof, (iii) under section 220 if the mortgage meets the requirements of paragraph (3) (B) of subsection (d) thereof, (iv) under section 221 if the mortgage meets the requirements of paragraph (3) or paragraph (4) of subsection (d) thereof, (v) under section 231, (vi) under section 233 if the mortgage meets the requirements of subsection (b)(2), **[or]** (vii) under section 810 if the mortgage meets the requirements of subsection (f), or (viii) under section 234(d);

* * * * *

ACQUISITION OF MORTGAGES TO AVOID FORECLOSURE

SEC. 230. **[Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner, in his discretion and for the purpose of avoiding foreclosure of the mortgage, may acquire the loan and the security therefor upon issuance to the mortgagee of debentures having a total face value equal to the unpaid principal balance of the loan plus any accrued interest and any proper advances theretofore made by the mortgagee under the provisions of the mortgage; and after the acquisition of such mortgage by the Commissioner such mortgagee shall have no further rights, liabilities, or obligations with respect thereto.]** *Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner, in his discretion and for the purpose of avoiding foreclosure of the mortgage, and notwithstanding the fact that he has previously approved a request of the mortgagee for an extension of time for curing the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, or has approved a modification of the mortgage for the purpose of changing the amortization provisions by recasting the unpaid balance, may acquire the loan and security therefor upon payment of the insurance benefits in an amount equal to the unpaid principal balance of the loan plus any unpaid mortgage interest plus reimbursement for such costs and attorney's fees as the Commissioner finds were properly incurred in connection with the defaulted mortgage and its assignment to the Commissioner, and for any proper advances theretofore made by the mortgagee under the provisions of the mortgage. After the acquisition of such mortgage by the Commissioner, the mortgagee shall have no further rights, liabilities, or obligations with respect thereto. The provisions of section 204 relating to the issuance of debentures incident to the acquisition of foreclosed properties shall apply with respect to debentures issued under this subsection, and the provisions of section 204 relating to the rights, liabilities, and obligations of a mortgagee shall apply with respect to the Com-*

missioner when he has acquired an insured mortgage under this section, in accordance with and subject to regulations (modifying such provisions to the extent necessary to render their application for such purposes appropriate and effective) which shall be prescribed by the Commissioner.

HOUSING FOR ELDERLY PERSONS

SEC. 231. (a) The purpose of this section is to assist in relieving the shortage of housing for elderly persons and to increase the supply of rental housing for elderly persons.

For the purposes of this section—

(1) the term “housing” means eight or more new or rehabilitated living units, not less than 50 per centum of which are specially designed for the use and occupancy of elderly persons;

(2) the term “elderly person” means any person, married or single, who is sixty-two years of age or over; and

(3) the terms “mortgage,” “mortgagee,” “mortgagor,” and “maturity date” shall have the meanings respectively set forth in section 207 of this Act.

(b) The Commissioner is authorized to insure any mortgage (including advances on mortgages during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgages prior to the date of their execution or disbursement thereon.

(c) To be eligible for insurance under this section, a mortgage to provide housing for elderly persons shall—

(1) involve a principal obligation in an amount not to exceed \$12,500,000 or, if executed by Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or nonprofit development or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, or methods of operation, not to exceed \$50,000,000;

[(2) not exceed, for such part of such property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$2,250 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit): *Provided*, That as to projects to consist of elevator-type structures, the Commissioner may, in his discretion, increase the dollar amount limitation of \$2,250 per room to not to exceed \$2,750 per room and the dollar amount limitation of \$9,000 per family unit to not to exceed \$9,400 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed \$1,250 per room, without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require;]

(2) *not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bed-*

room, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require;

(3) if executed by a mortgagor which is a public instrumentality or a private nonprofit corporation or association or other acceptable private nonprofit organization regulated or supervised under Federal or State laws or by political subdivisions of States, or agencies thereof, or by the Commissioner under a regulatory agreement or otherwise, as to rents, charges, and methods of operation, in such form and in such manner as, in the opinion of the Commissioner, will effectuate the purpose of this section, involve a principal obligation not in excess of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner): *Provided*, That in the case of properties other than new construction, the principal obligation shall not exceed the appraised value rather than the Commissioner's estimate of the replacement cost;

(4) if executed by a mortgagor which is approved by the Commissioner but is not a public instrumentality or a private nonprofit organization, involve a principal obligation not in excess (in the case of a property or project approved for mortgage insurance prior to the beginning of construction) of 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement costs may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, and shall include an allowance for builder's and sponsor's profit and risk of 10 per centum of all of the foregoing items except the land unless the Commissioner, after certification that such allowance is unreasonable, shall be regulation prescribe a lesser percentage): *Provided*, That in the case of properties other than new construction the principal obligation shall not exceed 90 per centum of the Commissioner's estimate of the value of the property or project: *And provided further*, That the Commissioner may in his discretion require such mortgagor to be regulated or restricted as to rents or

sales, charges, capital structure, rate of return, and methods of operation, and for such purpose the Commissioner may make contracts with and acquire for not to exceed \$100 such stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restrictions or regulations; such stock or interest shall be paid for out of the Section 207 Housing Insurance Fund and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance;

(5) provide for a complete amortization by periodic payments within such terms as the Commissioner shall prescribe;

(6) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time, or not to exceed such per centum per annum not in excess of $5\frac{1}{2}$ per centum as the Commissioner finds necessary to meet the mortgage market; and

(7) cover a property or project which is approved for mortgage insurance prior to the beginning of construction or rehabilitation, with 50 per centum or more of the units therein specially designed for the use and occupancy of elderly persons in accordance with standards established by the Commissioner, and which may include such commercial and special facilities as the Commissioner deems adequate to serve the occupants.

(d) The Commissioner may consent to the release of a part or part of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe, and shall prescribe such procedures as in his judgment are necessary to secure to elderly persons a preference or priority of opportunity to rent the dwellings included in such property or project.

(e) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under this section and all references therein to section 207 shall refer to this section.

(f) *Notwithstanding any of the provisions of this section, the housing provided under this section may include family units which are specially designed for the use and occupancy of any person or family qualifying as a handicapped family as defined in section 202 of the Housing Act of 1959, and such special facilities as the Commissioner deems adequate to serve handicapped families (as so defined). The Commissioner may also prescribe procedures to secure to such families preference or priority of opportunity to rent the living units specially designed for their use and occupancy.*

MORTGAGE INSURANCE FOR NURSING HOMES

SEC. 232. (a) * * *

(b) For the purposes of this section—

(1) the term "nursing home" means a proprietary facility or facility of a private nonprofit corporation or association, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services, in which such nursing

care and medical services are prescribed by, or are performed under the general direction of, persons licensed to provide such care or services in accordance with the laws of the State where the facility is located; and

* * * * *

EXPERIMENTAL HOUSING

SEC. 233. (a) In order to assist in lowering housing costs and improving housing standards, quality, livability, or durability or neighborhood design through the utilization of advanced housing technology, or experimental property standards, the Commissioner is authorized to insure and to make commitments to insure, under this section, mortgages (including [, in the case of mortgages insured under subsection (b)(2) of this section,] advances on such mortgages during construction) secured by properties including dwellings involving the utilization and testing of advanced technology in housing design, materials, or construction, or experimental property standards for neighborhood design if the Commissioner determines that (1) the property is an acceptable risk, giving consideration to the need for testing advanced housing technology or experimental property standards, (2) the utilization and testing of the advanced technology or experimental property standards involved will provide data or experience which the Commissioner deems to be significant in reducing housing costs or improving housing standards, quality, livability, or durability, or improving neighborhood design, and (3) the mortgages are eligible for insurance under the provisions of this section and under any further terms and conditions which may be prescribed by the Commissioner to establish the acceptability of the mortgages for insurance.

[(b) To be eligible for insurance under this section a mortgage shall—

[(1) meet the requirements of section 203(b), except that the maximum principal obligation of the mortgage as computed under clauses (i), (ii), and (iii) of section 203(b)(2) shall be determined on the basis of the Commissioner's estimate of the cost of replacing the property using comparable conventional design, materials, and construction rather than value, and the proviso in section 203(b) (8) shall not be applicable to mortgages insured under this section; or

[(2) meet the requirements of section 207(b) and section 207 (c), except that the maximum principal obligation of the mortgage as computed under section 207(c)(2) shall be determined on the basis of the Commissioner's estimate of the cost of replacing the property using comparable conventional design, materials, and construction rather than value.]

(b) *To be eligible for insurance under this section, a mortgage shall meet the requirements of one of the other sections of this title; except that, in determining the appraised value or the replacement cost of the property in cases involving new construction or the estimated cost of repair and rehabilitation or improvement in cases involving existing properties, the Commissioner's estimate may be based upon an estimate of the cost of replacing the property using comparable conventional design, materials, and construction, and any limitation upon the maximum mortgage amount available to a nonoccupant owner shall not, in the discretion of the Commissioner, be applicable to mortgages insured under this section.*

(c) The Commissioner may enter into such contracts, agreements, and financial undertakings with the mortgagor and others as he deems necessary or desirable to carry out the purposes of this section, and may expend available funds for such purposes, including the correction (when he determines it necessary to protect the occupants), at any time subsequent to insurance of a mortgage, of defects or failures in the dwellings which the Commissioner finds are caused by or related to the advanced housing technology utilized in their design or construction or experimental property standards.

(d) The Commissioner may make such investigations and analyses of data, and publish and distribute such reports, as he determines to be necessary or desirable to assure the most beneficial use of the data and information to be acquired as a result of this section.

[(e) Any mortgagee under a mortgage insured under subsection (b)(1) of this section shall be entitled to the benefits of the insurance as provided in section 204(a) with respect to mortgages insured under section 203, and the provisions of subsections (b), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 shall apply to the mortgages insured under subsection (b)(1), except that as applied to those mortgages (1) all references therein to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Experimental Housing Insurance Fund, and (2) all references therein to section 203 shall be construed to refer to this section.

[(f) Any mortgagee under a mortgage insured under subsection (b)(2) of this section shall be entitled to the benefits of the insurance as provided in section 207(g) with respect to mortgages insured under section 207, and the provisions of subsections (d), (e), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to the mortgages insured under subsection (b)(2) of this section, except that as applied to those mortgages (1) all references therein to the Housing Insurance Fund, the Housing Fund, or the Fund shall be construed to refer to the Experimental Housing Insurance Fund, and (2) all references therein to "this section" shall be construed to refer to this section 233.]

(e) Any mortgagee under a mortgage insured under subsection (b) shall be entitled to insurance benefits determined in the same manner as such benefits would be determined if such mortgage or loan were insured under the section of this title for which it otherwise would have been eligible except for the experimental feature of the property involved.

[(g)] (f) Notwithstanding the provisions of [subsections (e) and (f)] subsection (e) of this section, in the case of default on any mortgage insured under this section, the Commissioner in his discretion, in accordance with such regulations as he may prescribe, may make payments pursuant to such subsections in cash or in debentures (as provided in the mortgage insurance contract), or may acquire the mortgage loan and the security therefore upon payment to the mortgagee in cash or in debentures (as provided in the mortgage insurance contract) of a total amount equal to the unpaid principal balance of the loan plus any accrued interest and any advances approved by the Commissioner made previously by the mortgagee under the provisions of the mortgage. After the acquisition of the mortgage by the Commissioner the mortgagee shall have no further rights, liabilities, or obligations with respect to the mortgage. The appropriate provisions of sections 204 and 207 relating to the issuance of debentures shall

apply with respect to debentures issued under this subsection, and the appropriate provisions of sections 204 and 207 relating to the rights, liabilities, and obligations of a mortgagee shall apply with respect to the Commissioner when he has acquired an insured mortgage under this subsection, in accordance with and subject to regulations (modifying such provisions to the extent necessary to render their application for such purposes appropriate and effective) which shall be prescribed by the Commissioner, except that as applied to mortgages insured under this section (1) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Experimental Housing Insurance Fund, (2) all references in section 204 to section 203 shall be construed to refer to this section, and (3) all references in section 207 to the Housing Insurance Fund, the Housing Fund, or the Fund shall be construed to refer to the Experimental Housing Insurance Fund.

【(h)】 (g) There is hereby created an Experimental Housing Insurance Fund to be used by the Commissioner as a revolving fund to carry out the provisions of this section, and the Commissioner is directed to transfer the sum of \$1,000,000 to the Fund from the War Housing Insurance Fund created by section 602 of this Act. General expenses of operation of the Federal Housing Administration and other expenses incurred under this section may be charged to the Experimental Housing Insurance Fund.

MORTGAGE INSURANCE FOR 【INDIVIDUALLY OWNED UNITS IN MULTI-FAMILY STRUCTURES】 CONDOMINIUMS

SEC. 234. (a) The purpose of this section is to provide an additional means of increasing the supply of privately owned dwelling units where, under the laws of the State in which the property is located, real property title and ownership are established with respect to a one-family unit which is part of a multifamily 【structure】 *project*.

(b) The terms "mortgage," "mortgagee," "mortgagor," "maturity date," and "State" shall have the meanings respectively set forth in section 201, except that the term "mortgage" for the purposes of 【this section】 *subsection (c)* may include a first mortgage given to secure the unpaid purchase price of a fee interest in, or a long-term leasehold interest in, a one-family unit in a multifamily 【structure】 *project* and an undivided interest in the common areas and facilities which serve the 【structure】 *project* where the mortgage is determined by the Commissioner to be eligible for insurance under this section. The term "common areas and facilities" as used in this section shall be deemed to include the land and such commercial, community, and other facilities as are approved by the Commissioner.

(c) The Commissioner is authorized, in his discretion and under such terms and conditions as he may prescribe (including the minimum number of family units in the 【structure】 *project* which shall be offered for sale and provisions for the protection of the consumer and the public interest), to insure any mortgage covering a one-family unit in a multifamily 【structure】 *project* and an undivided interest in the common areas and facilities which serve the 【structure】 *project*, if (1) the mortgage meets the requirements of this 【section】 *subsection* and of section 203(b), except as that section is modified by this 【section】 *subsection*, (2) the 【structure】 *project* is or has been covered by

a mortgage insured under [another section] *any section* (except section 213 (a) (1) and (2)) of this Act, notwithstanding any requirements in any such section that the [structure] *project* be constructed or rehabilitated for the purpose of providing rental housing, and (3) the mortgagor is acquiring, or has acquired, a family unit covered by a mortgage insured under this [section] *subsection* for his own use and occupancy and will not own more than four one-family units covered by mortgages insured under this [section] *subsection*. Any project proposed to be constructed or rehabilitated after the date of enactment of the Housing Act of 1961 with the assistance of mortgage insurance under this Act, where the sale of family units is to be assisted with mortgage insurance under this [section] *subsection*, shall be subject to such requirements as the Commissioner may prescribe. [To be eligible for insurance pursuant to this section a mortgage shall (A) involve a principal obligation in an amount not to exceed the limits per room and per family dwelling unit provided by section 207 (c)(3), and not to exceed the sum of (i) 97 per centum of \$13,500 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of \$13,500 but not in excess of \$18,000, and (iii) 70 per centum of such value in excess of \$18,000, and (B) have a maturity satisfactory to the Commissioner but not to exceed, in any event, thirty years from the date of the beginning of amortization of the mortgage or three-fourths of the Commissioner's estimate of the remaining economic life of the structure, whichever is the lesser.] *To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed \$30,000, and not to exceed the sum of (i) 97 per centum of \$15,000 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of \$15,000 but not in excess of \$20,000, and (iii) 80 per centum of such value in excess of \$20,000, and (B) have a maturity satisfactory to the Commissioner, but not to exceed, in any event, thirty-five years from the date of the beginning of amortization of the mortgage or three-fourths of the Commissioner's estimate of the remaining economic life of the project, whichever is the lesser.* In determining the amount of a mortgage in the case of a nonoccupant mortgagor the reference to paragraph (2) of section 203(b) in section 203(b)(8) shall be construed to refer to the preceding sentence in this [section] *subsection*. The mortgage shall contain such provisions as the Commissioner determines to be necessary for the maintenance of common areas and facilities and the multifamily [structure] *project*. The mortgagor shall have exclusive right to the use of the one-family unit covered by the mortgage and, together with the owners of other units in the multifamily [structure] *project*, shall have the right to the use of the common areas and facilities serving the [structure] *project* and the obligation of maintaining all such common areas and facilities. The Commissioner may require that the rights and obligations of the mortgagor and the owners of other dwelling units in the [structure] *project* shall be subject to such controls as he determines to be necessary and feasible to promote and protect individual owners, the multifamily [structure] *project*, and its occupants. For the purposes of

this [section] subsection, the Commissioner is authorized in his discretion and under such terms and conditions as he may prescribe to permit one-family units and interests in common areas and facilities in multifamily [structures] projects covered by mortgages insured under any section of this Act (other than section 213(a)(1) and (2)) to be released from the liens of those mortgages.

(d) In addition to individual mortgages insured under subsection (c), the Commissioner is authorized, in his discretion and under such terms and conditions as he may prescribe, to insure blanket mortgages (including advances on such mortgages during construction) which cover multifamily projects to be constructed or rehabilitated in cases where the mortgage is held by a mortgagor, approved by the Commissioner, which—

(1) has certified to the Commissioner, as a condition of obtaining the insurance of a blanket mortgage under this subsection, that upon completion of the multifamily project covered by such mortgage it intends to commit the ownership of the multifamily project to a plan of family unit ownership under which each family unit would be eligible for individual mortgage insurance under subsection (c) and will faithfully and diligently make and carry out all reasonable efforts to establish such plan of family unit ownership and to sell such family units to purchasers approved by the Commissioner; and

(2) shall be regulated or restricted by the Commissioner as to rents, charges, capital structure, rate of return, and methods of operation until the termination of all obligations of the Commissioner under the insurance and during such further period of time as the Commissioner shall be the owner, holder, or reinsurer of the mortgage. The Commissioner may make such contracts with and acquire for not to exceed \$100 such stock or interest in such mortgagor as he may deem necessary to render effective the regulation and restriction of such mortgagor. The stock or interest acquired by the Commissioner shall be paid for out of the Apartment Unit Insurance Fund, and shall be redeemed by the mortgagor at par at any time upon the request of the Commissioner after the termination of all obligations of the Commissioner under the insurance.

(e) To be eligible for insurance, a blanket mortgage on any multifamily project of a mortgagor of the character described in subsection (d) shall involve a principal obligation in an amount—

(1) not to exceed \$20,000,000, or not to exceed \$25,000,000 if the mortgage is executed by a mortgagor regulated or supervised, under Federal or State law or by a political subdivision of a State or an agency thereof, as to rents, charges, and methods of operation;

(2) not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the project when the proposed physical improvements are completed;

(3) not to exceed, for such part of the project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family

unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require; and

(4) not to exceed an amount equal to the sum of the unit mortgage amounts determined under the provisions of subsection (c) assuming the mortgagor to be the owner and occupant of each family unit.

(f) Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such term as the Commissioner may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 5¼ per centum per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the blanket mortgage upon such terms and conditions as he may prescribe and the blanket mortgage may provide for such release. The project covered by the blanket mortgage may include five or more family units and such commercial and community facilities as the Commissioner deems adequate to serve the occupants.

[(d)] *(g) Any mortgagee under a mortgage insured under subsection (c) of this section is entitled to receive the benefits of the insurance as provided in section 204(a) of this Act with respect to mortgages insured under section 203, and the provisions of subsections (b), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 shall be applicable to the mortgages insured under subsection (c) of this section, except that (1) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the Apartment Unit Insurance Fund, (2) all references therein to section 203 shall be construed to refer to subsection (c) of this section, and (3) the excess remaining, referred to in section 204(f)(1), shall be retained by the Commissioner and credited to the Apartment Unit Insurance Fund.*

(h) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall be applicable to mortgages insured under subsection (d) of this section, except that all references to the Housing Insurance Fund, or Housing Fund, shall be construed to refer to the Apartment Unit Insurance Fund.

[(e)] *(i) There is hereby created the Apartment Unit Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section. The Commissioner is authorized to transfer to the Fund the sum of \$1,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this Act. General expenses of operation of the Federal Housing Administration under this section may be charged to the Apartment Unit Insurance Fund. The provisions of the second and third paragraphs of section 220(g) shall be applicable to the Apartment Unit Insurance Fund and to this section, all references therein to the Section 220 Housing Insurance Fund or the Fund shall be construed to refer to the Apartment Unit Insurance Fund, and all references therein to "this section" shall be construed to refer to this section 234.*

[(f)] (j) The provisions of sections 225 [, 229,] and 250 shall be applicable to the mortgages insured under subsection (c) of this section.

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TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

* * * * *

CREATION OF ASSOCIATION

SEC. 302. (a) * * *

(b) For the purposes set forth in section 301 and subject to the limitations and restrictions of this title, the Association is authorized, pursuant to commitments or otherwise, to purchase, lend (under section 304) on the security of, service, sell, or otherwise deal in any mortgages which are insured under the National Housing Act, of which are insured or guaranteed under the Servicemen's Readjustment Act of 1944 or chapter 37 of title 38, United States Code: *Provided*, That (1) no mortgage may be purchased at a price exceeding 100 per centum of the unpaid principal amount thereof at the time of purchase, with adjustments for interest and any comparable items; (2) the Association may not purchase any mortgage if it is offered by, or covers property held by, a Federal, State, territorial, or municipal instrumentality; and (3) the Association may not purchase any mortgage *under section 305*, except a mortgage insured under section 220 or title VIII, or insured under section 213 and covering property located in the urban renewal area, or a mortgage covering property located in Alaska, Guam, or Hawaii, if the original principal obligation thereof exceeds or exceeded \$17,500 for each family residence or dwelling unit covered by the mortgage [: *Provided*, That with respect to mortgages purchased under section 304 the principal obligation shall not exceed \$20,000. For the purposes of this title, the term "mortgages" shall be inclusive of any mortgages or other loans insured under any of the provisions of the National Housing Act].

* * * * *

SECONDARY MARKET OPERATIONS

SEC. 304. (a)(1) * * *

(2) In the further interest of assuring sound operation, any loan made by the Association in its secondary market operations under this section, and any extension or renewal thereof, shall not exceed [80] 90 per centum of the unpaid principal balances of the mortgages securing the loan, and shall bear interest at a rate consistent with general loan policies established from time to time by the Association's board of directors. Any such loan shall mature in not more than twelve months and the term of any extension or renewal shall not exceed twelve months. The volume of the Association's lending activities and the establishment of its loan ratios, interest rates, maturities, and charges or fees, in its secondary market operations under this section, should be determined by the Association from time to time; and such determinations, in conjunction with determinations made under paragraph (1), should be consistent with the objectives that the lending activities

should be conducted on such terms as will reasonably prevent excessive use of the Association's facilities, and that the operations of the Association under this section should be within its income derived from such operations and that such operations should be fully self-supporting. Notwithstanding any Federal, State, or other law to the contrary, the Association is hereby empowered, in connection with any loan under this section, whether before or after any default, to provide by contract with the borrower for the settlement or extinguishment, upon default, of any redemption, equitable, legal, or other right, title, or interest of the borrower in any mortgage or mortgages that constitute the security for the loan; and with respect to any such loan, in the event of default and pursuant otherwise to the terms of the contract, the mortgages that constitute such security shall become the absolute property of the Association.

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SPECIAL ASSISTANCE FUNCTIONS

SEC. 305. (a) * * *.

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(e) Notwithstanding any other provision of this Act, the Association is authorized to enter into advance commitment contracts and purchase transactions which do not exceed \$200,000,000 outstanding at any one time, if such commitments or transactions relate to mortgages with respect to which the Federal Housing Commissioner shall have issued pursuant to section 213 either a commitment to insure or a statement of eligibility; but such commitments in any one State shall not exceed \$20,000,000 outstanding at any one time: *Provided*, That (1) of the total amount of advance commitment contracts and purchase transactions authorized by this subsection, the amount of \$50,000,000 shall be available solely for commitments or purchases of mortgages where the management or sales-type cooperative involved is certified by the Federal Housing Commissioner as a consumer cooperative, and (2) of the commitments in any one State, not more than \$15,000,000 shall be outstanding at any one time for mortgages with respect to cooperative projects which are not of the type described in clause (1) of this proviso. On and after the date of enactment of the Housing Act of 1959, the Association is authorized to enter into advance commitment contracts and purchase transactions (in addition to those authorized by the preceding sentence) relating to mortgages with respect to which the Federal Housing Commissioner shall have issued pursuant to section 213 a commitment to insure or a statement of eligibility, without regard to any of the limitations contained in the preceding sentence; except that the total amount of the additional advance commitment contracts and purchase transactions authorized by this sentence which may be outstanding at any one time shall not exceed \$25,000,000, of which the amount of \$12,500,000 shall be available solely for commitments or purchases of mortgages where the management or sales-type cooperative involved is certified by the Federal Housing Commissioner as a consumer cooperative and the amount of \$12,500,000 shall be available solely for commitments or purchases of mortgages where the cooperative involved is a builder-sponsor cooperative. *Without regard to any of the limitations of this subsection except the total amount of authorizations available, the Association is authorized to enter into advance commitment contracts and*

purchase transactions on supplementary cooperative loans with respect to which the Federal Housing Commissioner shall have issued, pursuant to section 213(j), either a commitment to insure or a statement of eligibility, but such commitments and purchases shall be made solely where there is a management-type cooperative involved which is certified by the Federal Housing Commissioner as a consumer cooperative.

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TITLE IV—INSURANCE OF SAVINGS AND LOAN ACCOUNTS

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INSURANCE OF ACCOUNTS AND ELIGIBILITY PROVISIONS

SEC. 403. (a) * * *

(b) Application for such insurance shall be made immediately by each Federal savings and loan association, and may be made at any time by other eligible institutions. Such applications shall be in such form as the Corporation shall prescribe, and shall contain an agreement (1) to pay the reasonable cost of such examinations as the Corporation shall deem necessary in connection with such insurance, and (2) if the insurance is granted, to permit and pay the cost of such examinations as in the judgment of the Corporation may from time to time be necessary for its protection and the protection of other insured institutions, to permit the Corporation to have access to any information or report with respect to any examination made by any public regulatory authority and to furnish any additional information with respect thereto as the Corporation may require, and to pay the premium charges for insurance as hereinafter provided. [Each applicant for such insurance shall also file with its application an agreement that during the period that the insurance is in force it will not make any loans beyond fifty miles from its principal office except with the approval of, and pursuant to regulations of, the Corporation, but any applicant which, prior to the date of enactment of this Act, has been permitted to make loans beyond such fifty mile limit may continue to make loans within the territory in which the applicant is operating on such date] *Each applicant for such insurance shall also file with its application an agreement that during the period that the insurance is in force it will not make any loans beyond one hundred miles from its principal office, except (1) loans in the area beyond such one-hundred-mile limit in which it was operating prior to June 27, 1934, and (2) loans which are made pursuant to regulations of the Corporation: Provided, That such agreement shall further provide that any loan made beyond fifty miles from the applicant's principal office (and outside the territory in which it was operating on such date) shall also be subject to such regulations; will not, after it becomes an insured institution, issue securities which guarantee a definite return or which have a definite maturity except with the specific approval of the Corporation, or issue any securities the form of which has not been approved by the Corporation; will not carry on any sales plan or practices, or any advertising, in violation of regulations to be made by the Corporation; will provide adequate reserves satisfactory to the Corporation, to be established in accordance with regulations made by the Corporation, before paying dividends to its insured*

members; but such regulations shall require the building up of reserves to 5 per centum of all insured accounts within a reasonable period, not exceeding twenty years, and shall prohibit the payment of dividends from such reserves, or the payment of any dividends if any losses are chargeable to such reserves: *Provided*, That for any year dividends may be declared and paid when losses are chargeable to such reserves if the declaration of such dividends in such case is approved by the Corporation.

* * * * *

INVESTMENT OF CERTAIN FUNDS IN ACCOUNTS OF INSURED INSTITUTIONS

SEC. 409. The savings accounts and share accounts held by institutions insured by the Corporation, to the extent they are insured by the Corporation, shall be lawful investments and may be accepted as security for all public funds of the United States, fiduciary and trust funds under the authority or control of the United States or any officer or officers thereof, and for the funds of all corporations organized under the laws of the United States, regardless of any limitation of law upon the investment of any such funds or upon the acceptance of security for the investment or deposit of any of such funds.

TITLE V—MISCELLANEOUS

* * * * *

SEC. 516. The following funds shall be deemed an indebtedness to the United States of the particular insurance fund involved, and the Commissioner is authorized and directed to pay the amount of such indebtedness to the Secretary of the Treasury, with simple interest thereon from the date the funds were advanced to the date of final payment at a rate determined by the Secretary of the Treasury, taking into consideration the average rate on outstanding marketable obligations of the United States from the date the funds were advanced until the date of final payment—

(1) funds made available to the Commissioner pursuant to the provisions of sections 4 and 202, exclusive of amounts heretofore refunded, (a) for carrying out title II with respect to mortgages insured under section 203 where such funds were credited to the general reinsurance account in the Mutual Mortgage Insurance Fund, and (b) for the payment of salaries and expenses with respect to mortgage insurance under sections 207 and 210 where such funds were credited to the Housing Insurance Fund;

(2) funds made available to the Commissioner pursuant to sections 602 and 802; and

(3) funds made available to the Commissioner by the Secretary of the Treasury pursuant to section 710.

Payments to the Secretary of the Treasury under this section shall be made in such amounts and at such times as the Commissioner determines, after consultations with the Secretary of the Treasury, that funds are available for that purpose, taking into consideration the continued solvency of the funds involved. All payments made pursuant to this section shall be covered into the Treasury as miscellaneous receipts.

PREPAYMENT OF MORTGAGES BY NONPROFIT EDUCATIONAL INSTITUTIONS

SEC. 517. (a) Notwithstanding any other provision of this Act, no adjusted premium charge shall be collected in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor certifies to the Commissioner that the loan was paid in full by or on behalf of a nonprofit educational institution which intends to use the property for educational purposes.

(b) The Commissioner shall refund any adjusted premium charge collected subsequent to July 1, 1962, and prior to the date of the enactment of the Housing Act of 1964, in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor under such mortgage makes the certification prescribed by subsection (a).

* * * * *

TITLE VIII—ARMED SERVICES HOUSING MORTGAGE INSURANCE

SEC. 810. (a) * * * *

(f) To be eligible for insurance under this section, a mortgage on any multifamily rental property or project shall involve a principal obligation in an amount (1) not to exceed \$5,000,000 or (2) not to exceed, for such part of such property or project as may be attributable to dwelling use, [\$2,500 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit)] \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms, and not to exceed 90 per centum of the estimated value of the property or project when the proposed physical improvements are completed. [The Commissioner may increase any of the foregoing dollar amount limitations per room contained in this paragraph by not to exceed \$1,000 per room in any geographical area where he finds that cost levels so require.] The Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require.

* * * * *

(i) The aggregate number of dwelling units (including all units in multifamily projects or individual dwellings) covered by outstanding commitments to insure and mortgages insured under this section shall at no time exceed [five] ten thousand dwelling units.

UNITED STATES HOUSING ACT OF 1937

* * * * *

DEFINITIONS

SEC. 2. When used in this Act—

* * * * *

[(2) The term “families of low income” means families who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term “families” means families consisting of two or more persons, a single person who has attained retirement age as defined in section 216(a) of the Social Security Act or who is under a disability as defined in section 223 of that Act, or the remaining member of a tenant family. The term “elderly families” means families the head of which (or his spouse) has attained retirement age as defined in section 216(a) of the Social Security Act or is under a disability as defined in section 223 of that Act.]

(2) *The term “families of low income” means families (including elderly and displaced families) who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term “families” includes families consisting of a single person in the case of elderly families and displaced families, and includes a single person who is handicapped within the meaning of section 202 of the Housing Act of 1959 or who is the remaining member of a tenant family. The term “elderly families” means families whose heads (or their spouses), or whose sole members, have attained the age at which an individual may elect to receive an old-age insurance benefit under title II of the Social Security Act or are under a disability as defined in section 223 of that Act. The term “displaced families” means families displaced by urban renewal or other governmental action.*

* * * * *

ANNUAL CONTRIBUTIONS IN ASSISTANCE OF LOW RENTALS

SEC. 10. (a) The Authority may make annual contributions to public housing agencies to assist in achieving and maintaining the low-rent character of their housing projects. The annual contributions for any such project shall be fixed in uniform amounts, and shall be paid in such amounts over a fixed period of years. The Authority shall embody the provisions for such annual contributions in a contract guaranteeing their payment over such fixed period: *Provided*, That the Authority may, in addition to the payments guaranteed under the contract, pay not to exceed \$120 per annum per dwelling unit occupied by an elderly family on the last day of the project fiscal year where such amount, in the determination of the Authority, was necessary to enable the public housing agency to lease the dwelling unit to the elderly family at a rental it could afford and to operate the project on a solvent basis: *Provided further*, That such an additional payment may also be made, on the same terms and conditions and subject to the same limitations, with respect to a unit occupied on the last day of the

project fiscal year by a displaced family if such family was displaced by an urban renewal or low-rent housing project on or after January 27, 1964, and if and to the extent that the rental of such unit was less than the rental which, in the determination of the Authority based on average or estimated average project rentals, would have been established in leasing the unit to another family which was neither an elderly family nor similarly displaced.

The Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions or for capital grants pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, unless the governing body of the locality involved has entered into an agreement with the public housing agency providing that, subsequent to the initiation of the low-rent housing project and within five years after the completion thereof, there has been or will be elimination, by demolition, condemnation, effective closing, or compulsory repair or improvement, of unsafe or insanitary dwelling units situated in the locality or metropolitan area substantially equal in number to the number of newly constructed dwelling units provided by such project: *Provided, however,* That where more than one family is living in an unsafe or insanitary dwelling unit the elimination of such unit shall count as the elimination of units equal to the number of families accommodated therein: *Provided further,* That such elimination may, in the discretion of the Authority be deferred in any locality or metropolitan area where there is an acute shortage of decent, safe, or sanitary housing available to families of low income: *And provided further,* That this requirement shall not apply in the case of any low-rent housing project located in a rural nonfarm area, or to any low-rent housing project developed on the site of a slum cleared subsequent to the date of enactment of the Housing Act of 1949 and that the dwelling units which had been eliminated by the clearance of the site of such project shall not be counted as elimination for any other low-rent project.

* * * * *

(e) The Authority is authorized to enter into contracts for annual contributions aggregating not more than \$336,000,000 per annum, *which limit shall be increased by \$27,000,000 on the date of the enactment of the Housing Act of 1964,* but any such contracts for additional units for any one State shall not, after the date of enactment of the Housing Act of 1961, be entered into for more than 15 per centum of the aggregate amount not already guaranteed under contracts for annual contributions on such date: *Provided,* That no such new contract for additional units shall be entered into after the date of enactment of the Housing Act of 1961 except with respect to low-rent housing for a locality respecting which the Administrator has made the determination and certification relating to a workable program as prescribed in section 101(c) of the Housing Act of 1949, and the Authority shall enter into only such new contracts for preliminary loans as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into. Without further authorization from Congress, no new contracts for annual contributions beyond those herein authorized shall be entered into by the Authority. The faith of the United States is solemnly pledged to the payment of all annual contributions contracted for pursuant to this section, and there is hereby authorized to be appropriated in each fiscal year,

out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

* * * * *

(g) Every contract for annual contributions for any low-rent housing project shall provide that—

(1) the maximum income limits fixed by the public housing agency shall be subject to the prior approval of the Authority and the Authority may require the agency to review and revise such limits if the Authority determines that changed conditions in the locality make such revisions necessary in achieving the purposes of the Act;

(2) the public housing agency shall adopt and promulgate regulations establishing admission policies which shall give full consideration to its responsibility for the rehousing of [those displaced by urban renewal or other governmental action] *displaced families*, to the applicant's status as a serviceman or veteran or relationship to a serviceman or veteran or to a disabled serviceman or veteran, and to the applicant's age or disability, housing conditions, urgency of housing need, and source of income; and

* * * * *

(h) Every contract made pursuant to this Act for annual contributions for any low-rent housing project initiated after March 1, 1949, shall provide that no annual contributions by the Authority shall be made available for such project unless such project (exclusive of any portion thereof which is not assisted by annual contributions under this Act) is exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, but such contract shall require the public housing agency to make payments in lieu of taxes equal to 10 per centum of the annual shelter rents charged in such project or such lesser amount as (i) is prescribed by State law, or (ii) is agreed to by the local governing body in its agreement for local cooperation with the public housing agency required under subsection 15(7)(b)(i) of this Act, or (iii) is due to failure of a local public body or bodies other than the public housing agency to perform any obligation under such agreement: **Provided**, That, if at the time such agreement for local cooperation is entered into it appears that such 10 per centum payments in lieu of taxes will not result in a contribution to the project through tax exemption by the State, city, county, or other political subdivisions in which the project is situated of at least 20 per centum of the annual contributions to be paid by the Authority, the amounts of such payments in lieu of taxes shall be limited by the agreement to amounts, if any, which would not reduce the local contribution below such 20 per centum: *Provided further*, That, with respect to any such project which is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, such contract shall provide, in lieu of the requirement for tax exemption and payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivisions in which such project is situated shall contribute, in the form of cash or tax remission, an amount equal to the greater of (i) the amount by which the taxes paid with respect to the project exceed 10 per centum of the annual shelter rents charged

in such project or (ii) 20 per centum of the annual contributions paid by the Authority (but not in excess of the taxes levied): *And provided further*, That, prior to execution of the contract for annual contributions the public housing agency shall, in the case of a tax-exempt project, notify the governing body of the locality of its estimate of the annual amount of such payments in lieu of taxes and of the amount of taxes which would be levied if the property were privately owned, or, in the case where the project is taxed, its estimate of the annual amount of the local cash contribution, and shall thereafter include the actual amounts in its annual reports. Contracts for annual contributions entered into prior to the effective date of the Housing Act of 1954 may be amended in accordance with the first sentence of this subsection.】 *Provided, That, with respect to any such project which is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, such contract shall provide, in lieu of the requirement for tax exemption and payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivisions in which such project is situated shall contribute, in the form of cash or tax remission, the amount by which the taxes paid with respect to the project exceed 10 per centum of the annual shelter rents charged in such project: Provided further, That, prior to execution of the contract for annual contributions the public housing agency shall, in the case of a tax-exempt project, notify the governing body of the locality of its estimate of the annual amount of such payments in lieu of taxes and of the amount of taxes which would be levied if the property were privately owned, or, in the case where the project is taxed, its estimate of the annual amount of the local cash contribution, and shall thereafter include the actual amounts of such payments or contributions in its annual report. Contracts for annual contributions entered into prior to the effective date of the Housing Act of 1964 may be amended in accordance with the first sentence of this subsection.*

* * * * *

SEC. 15. In order to insure that the low-rent character of housing projects will be preserved, and that the other purposes of this Act will be achieved, it is hereby provided that—

(1) When a loan is made pursuant to section 9 for a low-rent-housing project the Authority may retain the right, in the event of a substantial breach of the condition (which shall be embodied in the loan agreement) providing for the maintenance of the low-rent character of the housing project involved or in the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such breach or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

(2) When a loan is made pursuant to section 9 for a slum-clearance project the Authority shall retain the right, in the event of the leasing or acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going

Federal rate (at the time of such leasing or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

(3) When a contract for annual contributions is made pursuant to section 10, the Authority shall retain the right, in the event of a substantial breach of the condition (which shall be embodied in such contract) providing for the maintenance of the low-rent character of the housing project involved, to reduce or terminate the annual contributions payable under such contract. In the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, such annual contribution shall terminate.

(4) The Authority may also insert in any contract for loans, annual contributions, capital grants, sale, lease, mortgage, or any other agreement or instrument made pursuant to this Act, such other covenants, conditions, or provisions as it may deem necessary in order to insure the low-rent character of the housing project involved: *Provided*, That any such contract for a substantial loan may contain a condition requiring the maintenance of an open space or playground in connection with the housing project involved if deemed necessary by the Authority for the safety or health of children.

(5) Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants for any low-rent housing project completed after January 1, 1948, shall provide that the cost for construction and equipment of such project (excluding land, demolition, and nondwelling facilities) on which the computation of any annual contributions under this Act may be based shall not exceed \$2,000 per room (\$3,000 per room in the case of Alaska, or in the case of accommodations designed specifically for elderly families \$3,000 per room and \$3,500 per room in the case of Alaska): *Provided*, That if the Administrator finds that in the geographical area of any project (i) it is not feasible under the aforesaid cost limitations to construct the project without sacrifice of sound standards of construction, design, and livability, and (ii) there is an acute need for such housing, he may prescribe in such contract cost limitations which may exceed by not more than \$750 per room the limitations that would otherwise be applicable to such project hereunder. Every contract made pursuant to this Act for loans (other than preliminary loans), annual contributions, or capital grants with respect to any low-rent housing project initiated after March 1, 1949, shall provide that such project shall be undertaken in such a manner that it will not be of elaborate or extravagant design or materials, and economy will be promoted both in construction and administration. In order to attain the foregoing objective, every such contract shall provide that no award of the main construction contract for such project shall be made unless the Authority, taking into account the level of construction costs prevailing in the locality where such project is to be located, shall have specifically approved the amount of such main construction contract. Every contract made pursuant to this Act for loans, annual contributions, or capital grants, with respect to a project for which the preparation of plans, drawings, and specifications has not been started or contracted for prior to the date of enactment of the Housing Act of 1957, shall require that such plans, drawings, and specifications follow the principle of modular measure in every case deemed feasible by the

public housing agency, in order that the housing may be built by conventional construction, on-site fabrication, factory pre-cutting, factory fabrication, or any combination of these construction methods.

(6) Any contract for loans or annual contributions, or both, entered into by the Authority with a public housing agency, may cover one or more than one low-rent housing project owned by said public housing agency; in the event such contract covers two or more projects, such projects may, for any of the purposes of this Act and of such contract (including, but not limited to, the determination of the amount of the loan, annual contributions, or payments in lieu of taxes, specified in such contract), be treated collectively as one project.

(7) In recognition that there should be local determination of the need for low-rent housing to meet needs not being adequately met by private enterprise—

(a) The Authority shall not make any contract with a public housing agency for preliminary loans (all of which shall be repaid out of any moneys which become available to such agency for the development of the projects involved) for surveys and planning in respect to any low-rent housing projects initiated after March 1, 1949, (i) unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a need for such low-rent housing which is not being met by private enterprise; and

(b) the Authority shall not make any contract for loans (other than preliminary loans) or for annual contributions pursuant to this Act with respect to any low-rent housing project initiated after March 1, 1949, (i) unless the governing body of the locality involved has entered into an agreement with the public housing agency providing for the local cooperation required by the Authority pursuant to this Act; [and] (ii) unless the public housing agency has demonstrated to the satisfaction of the Authority that a gap of at least 20 per centum (except in the case of a [family displaced by urban renewal or other governmental action] *displaced family* or an elderly family) has been left between the upper rental limits for admission to the proposed low-rent housing and the lowest rents at which private enterprise unaided by public subsidy is providing (through new construction and available existing structures) a substantial supply of decent, safe, and sanitary housing toward meeting the need of an adequate volume thereof; and (iii) *unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a feasible method for the temporary relocation of the displaced families from the project site, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of such displaced families, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment.*

(8) *The Authority may authorize the cost of relocation payments made by public housing agencies to be included with the development or acquisition cost of any project for purposes of determining the amount of*

loans and annual contributions authorized to be made with respect to such project under sections 9 and 10, but such costs shall be separately stated as relocation costs and shall be excluded from any amounts on which the computation of annual contributions is based for purposes of determining the amount of local contributions required with respect to such project under section 10(h). For purposes of this paragraph, a "relocation payment" is a payment (i) which is made to an individual, family, business concern, or nonprofit organization displaced on or after January 27, 1964, from a low-rent housing project site as a result of the acquisition of real property by a public housing agency, (ii) which is not otherwise authorized under any Federal law, and (iii) which is made only on such terms and conditions, and subject to such limitations, as are authorized (as of the time such payment is approved) under section 114 (b), (c), or (d) of the Housing Act of 1949 for relocation payments made to individuals, families, business concerns, or nonprofit organizations, as the case may be.

HOUSING ACT OF 1949

TITLE I—SLUM CLEARANCE AND URBAN RENEWAL

LOCAL RESPONSIBILITIES

SEC. 101. (a) * * *

(c) No contract shall be entered into for any loan or capital grant under this title, or for annual contributions or capital grants pursuant to the United States Housing Act of 1937, as amended, for any project or projects not constructed or covered by a contract for annual contributions prior to August 1, 1956, and no mortgage shall be insured, and no commitment to insure a mortgage shall be issued, under section 220 or section 221(d)(3) of the National Housing Act, as amended, unless (1) there is presented to the Administrator by the locality a workable program for community improvement (which shall include an official plan of action, as it exists from time to time, for effectively dealing with the problem of urban slums and blight within the community and for the establishment and preservation of a well-planned community with well-organized residential neighborhoods of decent homes and suitable living environment for adequate family life) for utilizing appropriate private and public resources to eliminate, and prevent the development or spread of, slums and urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of blighted, deteriorated, or slum areas, or to undertake such of the aforesaid activities or other feasible community activities as may be suitably employed to achieve the objectives of such a program, and (2) on the basis of his review of such program, the Administrator determines that such program meets the requirements of this subsection and certifies to the constituent agencies affected that the Federal assistance may be made available in such community: *Provided*, That this sentence shall not apply to the insurance of, or commitment to insure, a mortgage under section 220 of the National Housing Act, as amended, if the mortgaged property is in an area referred to in clause

(A) (i) of paragraph (1) of section 220 (d) of the National Housing Act, *And provided further*, That, notwithstanding any other provisions of law which would authorize such delegation or transfer, there shall not be delegated or transferred to any other official (except an officer or employee of the Housing and Home Finance Agency serving as Acting Administrator during the absence or disability of the Administrator or in the event of a vacancy in that office) the final authority vested in the Administrator (i) to determine whether any such workable program meets the requirements of this subsection, (ii) to make the certification that Federal assistance of the types enumerated in this subsection may be made available in such community, or (iii) to determine that the relocation requirements of section 105(c) of this title have been met. *Commencing three years from the date of the enactment of the Housing Act of 1964, no workable program will be certified or recertified unless the locality has had in effect for at least six months prior to such certification or recertification a minimum standards housing code, related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate by the Administrator; and unless the Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with such housing code.*

(d) The Administrator is authorized to establish facilities (1) for furnishing to communities, at their request, an urban renewal service to assist them in preparation of a workable program as referred to in the preceding subsection and to provide them with technical and professional assistance for planning and developing local urban renewal programs (*including rehabilitation projects requiring no additional assistance under this title or self-liquidating redevelopment projects*), and (2) for the assembly, analysis and reporting of information pertaining to such programs.

* * * * *

CAPITAL GRANTS

SEC. 103. (a)(1) * * *

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(b) The Administrator may, with the approval of the President, contract to make grants under this title aggregating not to exceed **[\$4,000,000,000]** \$4,600,000,000: *Provided*, That of such sum the Administrator may, without regard to other provisions of this title, contract to make grants aggregating not to exceed \$25,000,000 for mass transportation demonstration projects which he determines will assist in carrying out urban transportation plans and research, including but not limited to the development of data and information of general applicability on the reduction of urban transportation needs, the improvement of mass transportation service, and the contribution of such service toward meeting total urban transportation needs at minimum cost. Such grants shall not be used for major long-term capital improvement; shall not exceed two-thirds of the cost, as determined or estimated by the Administrator, of the project for which the grant is made; and shall be subject to such other terms and conditions as he may prescribe. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advance or progress payments on account of any grant contracted to be made pursuant to this section. The faith of the United States is solemnly pledged to the payment of all grants

contracted for under this title, and there are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments: *Provided*, That any amounts so appropriated shall also be available for repaying to the Secretary of the Treasury, for application to notes of the Administrator, the principal amounts of any funds advanced to local public agencies under this title which the Administrator determines to be uncollectible because of the termination of activities for which such advances were made, together with the interest paid or accrued to the Secretary (as determined by him) attributable to notes given by the Administrator in connection with such advances, but all such repayments shall constitute a charge against the authorization to make contracts for grants contained in this section: *Provided further*, That no such determination of the Administrator shall be construed to prejudice the rights of the United States with respect to any such advance.

* * * * *

LOCAL DETERMINATIONS

SEC. 105. Contracts for loans or capital grants shall be made only with a duly authorized local public agency and shall require that—

* * * * *

(c) There be a feasible method for the temporary relocation of *individuals and families* displaced from the urban renewal area, and that there are or are being provided, in the urban renewal area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the *individuals and families* displaced from the urban renewal area, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced *individuals and families* and reasonable accessible to their places of employment: *Provided*, That the Administrator shall issue rules and regulations to aid in implementing the requirements of this subsection and in otherwise achieving the objectives of this title which shall require that there be established, at the earliest practicable time, for each urban renewal project involving the displacement of families, individuals, or business concerns occupying property in an urban renewal area, a relocation assistance program which shall include such measures, facilities, and services as may be necessary or appropriate in order (1) to determine the needs of such families, individuals, and business concerns for relocation assistance, (2) to provide information and assistance to aid in relocation and otherwise minimize the hardships of displacement, and (3) to assure the necessary coordination of relocation activities with other project activities and other planned or proposed governmental actions in the community which may affect the carrying out of the relocation program.

GENERAL PROVISIONS

SEC. 106. (a) * * *

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[(f) (1) Notwithstanding any other provision of this title, an urban renewal project respecting which a contract for a capital grant is executed under this title may include the making of relocation pay-

ments (as defined in paragraph (2)); and such contract shall provide that the capital grant otherwise payable under this title shall be increased by an amount equal to such relocation payments and that no part of the amount of such relocation payments shall be required to be contributed as part of the local grant-in-aid.

[(2) As used in this subsection, the term "relocation payments" means payments by a local public agency to individuals, families, business concerns and nonprofit organizations for their reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made) resulting from their displacement from an urban renewal area made necessary by (i) the acquisition of real property by a local public agency or by any other public body, (ii) code enforcement activities undertaken in connection with an urban renewal project, or (iii) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan: *Provided*, That such payments shall not be made after completion of the project or if completion is deferred solely for the purpose of obtaining further relocation payments. Such payments shall be made subject to such rules and regulations as may be prescribed by the Administrator, and shall not exceed \$200 in the case of an individual or family, or \$3,000 (or if greater, the total certified actual moving expenses) in the case of a business concern or nonprofit organization. Such rules and regulations may include provisions authorizing payment to individuals and families of fixed amounts (not to exceed \$200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.]

[(3) Any contract with a local public agency which was executed under this title before the date of the enactment of the Housing Act of 1956 may be amended to provide for payments under this subsection for expenses and losses incurred on or after such date.]

* * * * *

PROPERTY TO BE USED FOR PUBLIC HOUSING OR HOUSING FOR MODERATE INCOME FAMILIES

SEC. 107. (a) [When it appears in the public interest that land acquired as part of an urban renewal project should be used in whole or in part as a site for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act, the site shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to the fair value of land to a private redeveloper who wants to buy a site in the community for private rental housing with physical characteristics similar to those of the proposed low-rent housing project, and such amount shall be included as part of the development cost of such low-rent housing project: *Provided*, That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act, or by analogous provisions in legislation authorizing such State or local program, with respect to the low-rent housing project into which such land was incorporated on or after September 23, 1959, shall (if cov-

ered by a contract which, in the determination of the Public Housing Commissioner, and without regard to the requirements of the first proviso of such section 10(h), will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act, or by provisions found by the Administrator to give equivalent assurance in the case of State or local programs), be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such site (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act.】 *Upon approval of the Administrator and subject to such conditions as he may determine to be in the public interest, any real property held as part of an urban renewal project may be made available to (1) a limited dividend corporation, nonprofit corporation or association, cooperative, or public body or agency, or (2) a purchaser who would be eligible for a mortgage insured under section 221(d)(4) of the National Housing Act, for purchase at fair value for use by such purchaser in the provision of new or rehabilitated rental or cooperative housing for occupancy by families or individuals of moderate income.*

(b) 【Upon approval of the Administrator and subject to such conditions as he may determine to be in the public interest, any real property held as part of an urban renewal project may be made available to (1) a limited dividend corporation, nonprofit corporation or association, cooperative, or public body or agency, or (2) a purchaser who would be eligible for a mortgage insured under section 221(d)(4) of the National Housing Act, for purchase at fair value for use by such purchaser in the provision of new or rehabilitated rental or cooperative housing for occupancy by families of moderate income.】 *When it appears in the public interest that real property acquired as part of an urban renewal project should be used in whole or in part for a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act, the property shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to its fair value, as determined in accordance with subsection (a), and such amount shall be included as part of the development cost of such low-rent housing project: Provided, That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act, or by analogous provisions in legislation authorizing such State or local program, with respect to the low-rent housing project into which such property was incorporated on or after September 23, 1959, shall (if covered by a contract which, in the determination of the Public Housing Commissioner, will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act, or by provisions found by the Administrator to give equivalent assurance in the case of State or local programs) be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such property (including costs*

of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act.

* * * * *

DEFINITIONS

SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

* * * * *

(c) "Urban renewal project" or "project" may include undertakings and activities of a local public agency in an urban renewal area for the elimination and for the prevention of the development or spread of slums and blight, and may involve slum clearance and redevelopment in an urban renewal area, *or a program of code enforcement in an urban renewal area*, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof, in accordance with such urban renewal plan. Such undertakings and activities may include—

(1) acquisition of (i) a slum area or a deteriorated or deteriorating area, or (ii) land which is predominantly open and which because of obsolete platting, diversity of ownership, deterioration of structures or of site improvements, or otherwise, substantially impairs or arrests the sound growth of the community, or (iii) open land necessary for sound community growth which is to be developed for predominantly residential uses: *Provided, That the requirement in paragraph (a) of this section that the area be a slum area or a blighted, deteriorated or deteriorating area shall not be applicable in the case of an open land project;*

(2) demolition and removal of buildings and improvements;

(3) installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out in the urban renewal area the urban renewal objectives of this title in accordance with the urban renewal plan;

(4) disposition of any property acquired in the urban renewal area (including sale, leasing or retention by the local public agency itself) at its fair value for uses in accordance with the urban renewal plan or as provided in section 107;

(5) carrying out plans for **[a program of]** *programs of code enforcement or voluntary repair and rehabilitation of buildings or other improvements in accordance with the urban renewal plan: Provided, That no program of code enforcement shall be included as part of an urban renewal project unless the locality shall agree to increase its total expenditures with respect to code enforcement, during the period such project is under contract for a loan or capital grant, by an amount equal to the required local grants-in-aid with respect to the code enforcement included as part of such project;*

(6) acquisition of any other real property in the urban renewal area where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities and

(7) acquisition and repair or rehabilitation for guidance purposes, and resale by the local public agency, of structures which are located in the urban renewal area and which, under the urban renewal plan, are to be repaired or rehabilitated for dwelling use or related facilities: *Provided*, That the local public agency shall not acquire for such purposes, in any urban renewal area, structures which contain or will contain more than (A) one hundred dwelling units, or (B) 5 per centum of the total number of dwelling units in such area which, under the urban renewal plan, are to be repaired or rehabilitated, whichever is the lesser.

Notwithstanding any other provision of this title, no contract shall be entered into for any loan or capital grant under this title for any project which provides for demolition and removal of buildings and improvements unless the Administrator determines that the objectives of the urban renewal plan could not be achieved through rehabilitation of the project area.

For the purposes of this title, the term "project" shall not include (except as provided in paragraph (7) above) the construction or improvement of any building, and the term "redevelopment" and derivatives thereof shall mean development as well as redevelopment. For any of the purposes of section 109 hereof, the term "project" shall not include any donations or provisions made as local grants-in-aid and eligible as such pursuant to clauses (2) and (3) of section 110(d) hereof.

Financial assistance shall not be extended under this title with respect to any urban renewal area which is not predominantly residential in character and which, under the urban renewal plan therefor, is not to be redeveloped for predominantly residential uses: *Provided*, That, if the governing body of the local public agency determines that the redevelopment of such an area for predominantly nonresidential uses is necessary for the proper development of the community, the Administrator may extend financial assistance under this title for such a project: *Provided further*, That the aggregate amount of capital grants contracted to be made pursuant to this title with respect to such projects after the date of the enactment of the Housing Act of 1959 shall not exceed 30 per centum of the aggregate amount of grants authorized by this title to be contracted for after such date.

In addition to all other powers hereunder vested, where land within the purview of clause (1) (ii) or (1) (iii) of the first paragraph of this subsection (whether it be predominantly residential or nonresidential in character) is to be redeveloped for predominantly nonresidential uses, loans and advances under this title may be extended therefor if the governing body of the local public agency determines that such redevelopment for predominantly nonresidential uses is necessary and appropriate to facilitate the proper growth and development of the community in accordance with sound planning standards and local community objectives and to afford maximum opportunity for the redevelopment of the project area by private enterprise: *Provided*, That loans and outstanding advances to any local public agency pursuant to the authorization of this sentence shall not exceed 2½ per centum of the estimated gross project costs of the projects undertaken under other contracts with such local public agency pursuant to this title.

(d) Local grants-in-aid shall mean assistance by a State, municipality, or other public body, or (in the case of cash grants or donations of land or other real property) any other entity, in connection with any project on which a contract for capital grant has been made under this title, in the form of (1) cash grants to defray expenditures within the purview of section 110(e)(1) hereof; (2) donations, at cash value, of land or other real property (exclusive of land in streets, alleys, and other public rights-of-way which may be vacated in connection with the project) in the urban renewal area, and demolition, removal, or other work or improvements in the urban renewal area, at the cost thereof, of the types described in clause (2) and clause (3) of the second sentence of section 110(c); [and (3)] (3) *the amount of any abatement of realty taxes granted by appropriate authority in reduction of realty taxes which would, except for such abatement, be payable by a project the mortgage on which is insured under section 221 of the National Housing Act and bears an interest rate fixed pursuant to the proviso in section 221(d)(5) of such Act; and (4) the provision, at their cost, of public buildings or other public facilities (other than publicly owned housing and revenue producing public utilities the capital cost of which is wholly financed with local bonds or obligations payable solely out of revenues derived from service charges) which are necessary for carrying out in the area the urban renewal objectives of this title in accordance with the urban renewal plan: Provided, That in any case where, in the determination of the Administrator, any park, playground, public building, or other public facility is of direct benefit both to the urban renewal area and to other areas, and the approximate degree of the benefit to such other areas is estimated by the Administrator at 20 per centum or more of the total benefits, the Administrator shall provide that, for the purpose of computing the amount of the local grants-in-aid for the project, there shall be included only such portion of the cost of such facility as the Administrator estimates to be proportionate to the approximate degree of the benefit of such facility to the urban renewal area: And provided further, That for the purpose of computing the amount of local grants-in-aid under this section 110(d) with respect to any project covered by a Federal-aid contract under this title, the estimated cost (as determined by the Administrator) of parks, playgrounds, public buildings, or other public facilities may be deemed to be the actual cost thereof if (i) the construction or provision thereof is not completed at the time of final disposition of land in the project to be acquired and disposed of under the urban renewal plan, and (ii) the Administrator has received assurance satisfactory to him that such park, playground, public building, or other public facility will be constructed or completed when needed and within a time prescribed by him: And provided further, That in any case where a public facility furnished as a local grant-in-aid is financed in whole or in part by special assessments against real property in the project area acquired by the local public agency as part of the project, an amount equal to the total special assessments against such real property (or, in the case of a computation pursuant to the proviso immediately preceding, the estimated amount of such total special assessments) shall be deducted from the cost of such facility for the purpose of computing the amount of the local grants-in-aid for the project. With respect to any demolition or removal work, improvement or facility for which a State,*

municipality, or other public body has received or has contracted to receive any grant or subsidy from the United States, or any agency or instrumentality thereof, the portion of the cost thereof defrayed or estimated by the Administrator to be defrayed with such subsidy or grant shall not be eligible for inclusion as a local grant-in-aid.

Notwithstanding any other provision of this subsection, no donation or provision of a public improvement or public facility of a type falling within the purview of this subsection shall be deemed to be ineligible as a local grant-in-aid for any project solely on the basis that the construction of such improvement or facility was commenced without notification to the Administrator or prior to Federal recognition of such project, if such construction was commenced not more than three years prior to the authorization by the Administrator of a contract for loan or capital grant for the project.

* * * * *

REDEVELOPMENT AREAS UNDER THE AREA REDEVELOPMENT ACT

SEC. 113(a) Whenever the Secretary of Commerce certifies to the Administrator (1) that any county, city, or other municipality (in this section referred to as a "municipality") is situated in an area designated under section 5 of the Area Redevelopment Act as a redevelopment area, and (2) that there is a reasonable probability that with assistance provided under such Act and other undertakings the area will be able to achieve more than temporary improvement in its economy, the Administrator is authorized to provide financial assistance to a local public agency in any such municipality under this title and the provisions of this section.

(b) Subject to the provisions of subsection (e) of this section, the Administrator may provide such financial assistance under this section without regard to the requirement or limitations of section 110(c) that the project area be predominantly residential in character or be redeveloped for predominantly residential uses under the urban renewal plan, and without regard to any of the limitations of that section on the undertaking of projects for predominantly nonresidential uses.

(c) Notwithstanding any other provision of this title, a contract for financial assistance under this section may include provisions permitting the disposition of any land in the project area designated under the urban renewal plan for industrial or commercial uses to any public agency or nonprofit corporation for subsequent disposition as promptly as practicable by such public agency or corporation for the redevelopment of the land in accordance with the urban renewal plan: *Provided*, That any disposition of such land to such public agency or corporation under this section shall be made at its fair value for uses in accordance with the urban renewal plan: And provided further, That only the purchaser from or lessees of such public agency or corporation, and their assignees, shall be required to assume the obligations relating to the commencement of improvements imposed under section 105(b) hereof.

(d) Following the execution of any contract for financial assistance under this section with respect to any project, the Administrator may exercise the authority vested in him under this section as well as other provisions of this title for the completion of such projects, notwithstanding any determination made after the execution of such contract that the area in which the project is located is no longer a redevelopment area under the Area Redevelopment Act.

(e) Not more than 10 per centum of the funds authorized for capital grants under section 103 after the date of the enactment of the Area Redevelopment Act shall be used for the purpose of providing financial assistance under this section. Amounts used for such purpose shall not be taken into account for the purpose of the limitation contained in the second proviso of the fifth sentence of section 110(c).

RELOCATION

SEC. 114. (a) Notwithstanding any other provision of this title, an urban renewal project may include the making of payments as prescribed in this section to displaced individuals, families, business concerns, and nonprofit organizations. Any contract for financial assistance under this title shall provide that no part of the amount of such payments (except such payments made pursuant to subsection (d)) shall be required to be contributed as a local grant-in-aid, and that the capital grant otherwise payable for the project shall be increased by an amount equal to (1) any of such payments made pursuant to subsection (b) or (c), plus (2) any of such payments made pursuant to subsection (d), reduced by the amount of the local grants-in-aid applicable to such payments. As used in this section, "displaced" refers to displacement from an urban renewal area made necessary by (1) the acquisition of real property by a local public agency or by any other public body, (2) code enforcement activities undertaken in connection with an urban renewal project, or (3) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan.

(b) A local public agency may pay to any displaced business concern or nonprofit organization—

(1) its reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): Provided, That such payment shall not exceed \$3,000 (or, if greater, the total certified actual moving expenses); and

(2) an additional \$1,000 in the case of a private business concern with average annual net earnings of less than \$10,000 per year which (A) was doing business in a location in the urban renewal area on the date of local approval of the urban renewal plan (or of acquisition of the real property under the third sentence of section 102(a)), (B) is displaced on or after January 27, 1964, and (C) is not part of an enterprise having establishments outside the urban renewal area.

(c)(1) A local public agency may pay to any displaced individual or family his or its reasonable and necessary moving expenses and any actual direct losses of property (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): Provided, That such payment shall not exceed \$200: And provided further, That the Administrator may authorize payment to individuals and families of fixed amounts (not to exceed \$200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

(2) A local public agency may pay (in addition to any amount under paragraph (1)), to or on behalf of any displaced individual or family, the monthly rental (or mortgage payment) required for the dwelling accom-

modations in which such individual or family is relocated during the first three months (after displacement) for which such rental (or payment) is due; except that no amount in excess of \$200 shall be paid under this paragraph to or on behalf of any displaced individual or family, and payments under this paragraph shall be available only in the case of individuals and families displaced on or after January 27, 1964.

(d) In any case in which property owned by an individual, family, business concern, or nonprofit organization has been rendered partially or wholly unusable on account of the subsidence or collapse of underlying coal mines, or because of an underground mine fire or fires, relocation payments under this section may include (in addition to any amounts payable under subsection (b) or (c)) an amount equal to the difference between (1) the actual market value which such property would have if the diminution in its value occasioned by such subsidence or collapse or fire were ignored, and (2) the price paid for the acquisition of such property by the local public agency."

(e) The Administrator is authorized to establish such rules and regulations as he may deem appropriate in carrying out the provisions of this section. Such regulations shall include provisions to assure that relocation payments, as authorized by this section, shall be made as promptly as possible to all families, individuals, business concerns, and nonprofit organizations found to be eligible for such payments by reason or their having been displaced from property in the urban renewal area, without regard to any subsequent proceedings, determinations, or events relating to such property which do not bear upon whether such displacement in fact occurred.

* * * * *

TITLE V

* * * * *

LOANS FOR HOUSING AND BUILDINGS ON ADEQUATE FARMS

SEC. 502. (a) If the Secretary determines that an applicant is eligible for assistance as provided in section 501 and that the applicant has the ability to repay in full the sum to be loaned, with interest, giving due consideration to the income and earning capacity of the applicant and his family from the farm and other sources, and the maintenance of a reasonable standard of living for the owner and the occupants of said farm, a loan may be made by the Secretary to said applicant, *in a principal amount not exceeding \$15,000*, for a period of not to exceed thirty-three years from the making of the loan with interest at a rate not to exceed 4 per centum per annum on the unpaid balance of principal. In cases of applicants who are elderly persons, the Secretary may accept the personal liability of any person with adequate repayment ability who will cosign the applicant's note to compensate for any deficiency in the applicant's repayment ability.

* * * * *

LOAN FUNDS

SEC. 511. The Secretary may issue notes and other obligations for purchase by the Secretary of the Treasury for the purpose of making loans under this title (other than loans under section 504(b) or 515(a)). The total principal amount of such notes and obligations issued pursu-

ant to this section during the period beginning July 1, 1956, and ending June 30, 1965, shall not exceed **[\$700,000,000]** *\$850,000,000*, of which \$50,000,000 shall be available exclusively for assistance to elderly persons as provided in clause (3) of section 501(a). The notes and obligations issued by the Secretary shall be secured by the obligations of borrowers and the Secretary's commitments to make contributions under this title and shall be repaid from the payment of principal and interest on the obligations of the borrowers and from funds appropriated hereunder. The notes and other obligations issued by the Secretary shall be in such forms and denominations, shall have such maturities, and shall be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average rate on outstanding marketable obligations of the United States as of the last day of the month preceding the issuance of the notes or obligations by the Secretary. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations of the Secretary issued hereunder and for such purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchases of such obligations. The Secretary of the Treasury may at any time sell any of the notes or obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or obligations shall be treated as public debt transactions of the United States.

* * * * *

INSURANCE OF LOANS FOR THE PROVISION OF HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR

SEC. 514. (a) * * *

* * * * *

(f) As used in this section—

(1) the term "housing" means (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement; and

(2) the term "related facilities" means (A) new structures suitable for use as dining halls, community rooms or buildings, or infirmaries, or for other essential services facilities, and (B) existing structures which can be made suitable for the above uses by rehabilitation, alteration, conversion, or improvement; and

[(3) the term "domestic farm labor" means citizens of the United States who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States.]

(3) the term "domestic farm labor" means persons who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States and either (A) are citizens of the United States or (B) reside in the United States after being legally admitted for permanent residence therein.

DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS

SEC. 515. (a) * * *

(b) The Secretary is authorized to insure and make commitments to insure loans made to any individual, corporation, association, trust, or partnership to provide rental housing and related facilities for elderly persons and elderly families in rural areas, in accordance with terms and conditions substantially identical with those specified in section 502; except that—

(1) no such loan shall exceed \$100,000 or the development cost or the value of the security, whichever is least;

(2) such loans shall bear interest at rates determined by the Secretary, not to exceed the maximum rate provided in section 203(b)(5) of the National Housing Act;

(3) provide for complete amortization by periodic payments within such term as the Secretary may prescribe;

(4) for insuring such loans, the Secretary shall utilize the Agricultural Credit Insurance Fund subject to all the provisions of section 309 and the second and third sentences of section 308 of the Consolidated Farmers Home Administration Act of 1961, including the authority in section 309(f)(1) of that Act to utilize the insurance fund to make, sell, and insure loans which could be insured under this subsection; but the aggregate of the principal amounts of such loans made by the Secretary and not disposed of shall not exceed \$10,000,000 outstanding at any one time; and the Secretary may take liens running to the United States though the notes may be held by other lenders; and

(5) no loan shall be insured under this subsection after September 30, **[1964]** 1965.

SECTION 404(b) OF THE HOUSING ACT OF 1950

DEFINITIONS

SEC. 404. For the purposes of this title, the following terms shall have the meanings, respectively, ascribed to them below:

(b) "Educational institution" means (1) any educational institution offering at least a two-year program acceptable for full credit toward a baccalaureate degree, including any public educational institution, or any private educational institution no part of the net earnings of which inures to the benefit of any private shareholder or individual, (2) any hospital operating a school of nursing beyond the level of high school approved by the appropriate State authority, or any hospital approved for internships by recognized authority, if such hospital is either a public hospital or a private hospital, no part of the net earnings of which inures to the benefit of any private shareholder or individual, (3) any corporation (no part of the net earnings of which inures to the benefit of any private shareholder or individual) (A) established for the sole purpose of providing housing or other educational facilities for students or students and faculty of one or more institutions included in clause (1) of this subsection without regard to their membership in or affiliation with any social, fraternal, or honorary

society or organization, and (B) upon dissolution of which all title to any property purchased or built from the proceeds of any loan secured under this title will pass to such institution (or to any one or more of such institutions) unless it is shown to the satisfaction of the Administrator that such property or the proceeds from its sale will be used for some other nonprofit educational purpose, (4) any agency, public authority, or other instrumentality of any State established for the purpose of providing or financing housing or other educational facilities for students or faculty of any public educational institution included in clause (1) of this subsection, but nothing herein contained shall require an institution included in clause (1) of this subsection to obtain loans through any instrumentality included in this clause of this subsection, and (5) any nonprofit student housing cooperative corporation established for the purpose of providing housing for students or students and faculty of any institution included in clause (1) of this subsection.

In the case of any loan made under section 401 to a corporation described in clause (3) of this subsection which was not established by the institution or institutions for whose students or students and faculty it would provide housing, the Administrator shall require that the note securing such loan be cosigned by such institution (or by any one or more of such institutions). *Where State law would prevent the institution (or all of the institutions) for whose students or students and faculty the housing is to be provided from cosigning the note, the Administrator shall instead require the approval of the corporation and the proposed project by such institution (or by any one or more of such institutions).*

HOUSING ACT OF 1954

* * * * *

SEC. 314. (a) The Housing and Home Finance Administrator is authorized to make grants, subject to such terms and conditions as he shall prescribe, to public bodies, including cities and other political subdivisions, to assist them in developing, testing, and reporting methods and techniques, and carrying out demonstrations and other activities for the prevention and the elimination of slums and urban blight. No such grant shall exceed two-thirds of the cost, as determined or estimated by said Administrator, of such activities or undertakings, *but such a grant may in addition cover the full cost of writing and publishing the reports on such activities and undertakings.* In administering this section, said Administrator shall give preference to those *activities and* undertakings which in his judgment can reasonably be expected to (1) contribute most significantly to the improvement of methods and techniques for the elimination and prevention of slums and blight, and (2) best serve to guide renewal programs in other communities. [Said Administrator may make advance or progress payments on account of any grant contracted to be made pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended. The aggregate amount of grants made under this section shall not exceed \$5,000,000 and shall be payable from the capital grant funds provided under and authorized by section 103 (b) of the Housing Act of 1949, as amended.]

(b) *The Administrator is further authorized to pay for the cost of (1) writing and publishing reports on activities and undertakings financed by grants made under this section, as well as reports on similar activities and undertakings, not so financed, which are of significant value in furthering the purposes of this section, and (2) writing and publishing summaries and other informational material on such reports.*

(c) *The aggregate amount of grants made under subsection (a), and other costs incurred pursuant to subsection (b), shall not exceed \$10,000,000 and shall be payable from the grant funds provided under and authorized by section 103(b) of the Housing Act of 1949. The Administrator may make advance or progress payments on account of any contract entered into pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended.*

* * * * *

URBAN PLANNING

SEC. 701 (a) In order to assist State and local governments in solving planning problems resulting from the increasing concentration of population in metropolitan and other urban areas, including smaller communities; to facilitate comprehensive planning for urban development, including coordinated transportation systems, on a continuing basis by such governments; and to encourage such governments to establish and improve planning staffs, the Administrator is authorized to make planning grants to—

(1) State planning agencies, or (in States where no such planning agency exists) to agencies or instrumentalities of State government designated by the Governor of the State and acceptable to the Administrator as capable of carrying out the planning functions contemplated by this section, for the provision of planning assistance to **[(A) cities, other municipalities, and counties having a population of less than 50,000 according to the latest decennial census,]** *(A) cities and other municipalities having a population of less than 50,000 according to the latest decennial census, and counties without regard to population: Provided, That grants shall be made under this paragraph for planning assistance to counties having a population of 50,000 or more, according to the latest decennial census, which are within metropolitan areas, only if (i) the Administrator finds that planning and plans for such county will be coordinated with the program of comprehensive planning, if any, which is being carried out for the metropolitan area of which the county is a part, and (ii) the aggregate amount of the grants made subject to this proviso does not exceed 15 per centum of the aggregate amount appropriated, after the date of enactment of the Housing Act of 1964, for the purposes of this section,* (B) any group of adjacent communities, either incorporated or unincorporated, having a total population of less than 50,000 according to the latest decennial census and having common or related urban planning problems **[resulting from rapid urbanization], [and]** (C) cities, other municipalities, and counties, referred to in paragraph (3) of this subsection and areas referred to in paragraph (4) of this subsection, and (D) *Indian reservations;*

(2) official State, metropolitan, and regional planning agencies, or other agencies and instrumentalities designated by the Gov-

ernor (or Governors in the case of interstate planning) and acceptable to the Administrator, empowered under State or local laws or interstate compact to perform metropolitan or regional planning;

(3) cities, other municipalities, and counties which (A) are situated in areas designated by the Secretary of Commerce under section 5(a) of the Area Redevelopment Act as redevelopment areas or (B) have suffered substantial damage as a result of a catastrophe which the President, pursuant to section 2(a) of "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes" has determined to be a major disaster;

[(4) to official governmental planning agencies for areas where rapid urbanization has resulted or is expected to result from the establishment or rapid and substantial expansion of a Federal installation; and]

(4) *official governmental planning agencies for areas where (A) urban planning problems have resulted or are expected to result from the implementation of a Federal treaty or other international agreement or understanding, or (B) rapid urbanization has resulted or is expected to result from the establishment or rapid and substantial expansion of a Federal installation;*

(5) State planning agencies for State and interstate comprehensive planning (as defined in subsection (d)) and for research and coordination activity related thereto[.];

(6) *metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1); and*

(7) *tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning for an Indian reservation to which no State planning agency or other agency or instrumentality is empowered to provide planning assistance under clause (D) of paragraph (1).*

Planning assisted under this section shall, to the maximum extent feasible, cover entire urban areas having common or related urban development problems. The Administrator shall encourage cooperation in preparing and carrying out plans among all interested municipalities, political subdivisions, public agencies, and other parties in order to achieve coordinated development of entire areas. To the maximum extent feasible, pertinent plans and studies already made for areas shall be utilized so as to avoid unnecessary repetition of effort and expense. Planning which may be assisted under this section includes the preparation of comprehensive urban transportation surveys, studies, and plans to aid in solving problems of traffic congestion, facilitating the circulation of people and goods in metropolitan and other urban areas and reducing transportation needs. Funds available under this section shall be in addition to and may be used jointly with funds available for planning surveys and investigations under other Federally-aided programs, and nothing contained in this section shall be

construed as affecting the authority of the Secretary of Commerce under section 307 of title 23, United States Code.

(b) A grant made under this section shall not exceed two-thirds of the estimated cost of the work for which the grant is made: *Provided*, That a grant may be made under this section to a city, municipality, or county described in clause (A) of subsection (a)(3), or to a State planning agency (as provided in clause (C) of subsection (a)(1)) for the provision of planning assistance to such a city, municipality, or county, for not more than 75 per centum of such estimated cost. All grants made under this section shall be subject to terms and conditions prescribed by the Administrator. No portion of any grant made under this section shall be used for the preparation of plans for specific public works. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advances or progress payments on account of any planning grant made under this section. There is hereby authorized to be appropriated not exceeding **[\$75,000,000]** *\$105,000,000* to carry out the purposes of this section, and any amounts so appropriated shall remain available until expended.

(c) The Administrator is authorized, in areas embracing several municipalities or other political subdivisions, to encourage planning on a unified metropolitan basis and to provide technical assistance for such planning and the solution of problems relating thereto.

(d) It is the further intent of this section to encourage comprehensive planning, including transportation planning, for States, cities, counties, metropolitan areas, **[and urban regions]** *urban regions, and Indian reservations* and the establishment and development of the organizational units needed therefor. The Administrator is authorized to provide technical assistance to State and local governments and their agencies and instrumentalities, *and Indian tribal bodies*, undertaking such planning and, by contract or otherwise, to make studies and publish information on related problems. In extending financial assistance under this section, the Administrator may require such assurances as he deems adequate that the appropriate State and local agencies are making reasonable progress in the development of the elements of comprehensive planning. Comprehensive planning, as used in this section, includes the following, to the extent directly related to urban needs: (1) preparation, as a guide for long-range development, of general physical plans with respect to the pattern and intensity of land use and the provision of public facilities, including transportation facilities, together with long-range fiscal plans for such development; (2) programming of capital improvements based on a determination of relative urgency, together with definitive financing plans for the improvements to be constructed in the earlier years of the program; (3) coordination of all related plans of the departments or subdivisions of the government concerned; (4) inter-governmental coordination of all related planned activities among the State and local governmental agencies concerned; and (5) preparation of regulatory and administrative measures in support of the foregoing.

* * * * *

RESERVE OF PLANNED PUBLIC WORKS

SEC. 702. (a) In order (1) to encourage municipalities and other public agencies *and Indian tribes* to maintain at all times a current and adequate reserve of planned public works the construction of which can rapidly be commenced, particularly when the national or local economic situation makes such action desirable, and (2) to help attain maximum economy and efficiency in the planning and construction of public works, the Administrator is hereby authorized to make advances to public agencies *and Indian tribes* (notwithstanding the provisions of section 3648 of the Revised Statutes, as amended) to aid in financing the cost of engineering and architectural surveys, designs, plans, working drawings, specifications, or other action preliminary to and in preparation for the construction of public works, *including, in the case of public works to be constructed in connection with the development of a medical center, a general plan for the development of such center: Provided, That the making of advances hereunder shall not in any way commit the Congress to appropriate funds to assist in financing the construction of any public works so planned: And provided further, That advances outstanding to public agencies and Indian tribes in any one State shall at no time exceed 12½ per centum of the aggregate then authorized to be appropriated to the revolving fund established pursuant to subsection (e) of this section.*

(b) No advance shall be made hereunder with respect to any individual project, including a regional or metropolitan or other area-wide project, unless (1) it is planned to be constructed within or over a reasonable period of time considering the nature of the project, (2) it conforms to an overall State, local, or regional plan approved by a competent State, local, or regional authority, and (3) the public agency *or Indian tribe* formally contracts with the Federal Government to complete the plan preparation promptly and to repay such advance or part thereof when due. [Subsequent to approval and prior to disbursement of any Federal funds for the purpose of advance planning the applicant shall establish a separate planning account into which all Federal and applicant funds estimated to be required for plan preparation shall be placed.]

(c) Advances under this section to any public agency *or Indian tribe* shall be repaid without interest by such agency *or tribe* when the construction of the public works is undertaken or started: *Provided, [That if the public agency undertakes to construct only a portion of a planned public work it shall repay such proportionate amount of the advances relating to the public work as the Administrator determines to be equitable: And provided further,]* That in the event repayment is not made promptly such unpaid sum shall bear interest at the rate of 4 per centum per annum from the date of the Government's demand for repayment to the date of payment thereof by the public agency *or Indian tribe*.

(d) The Administrator is authorized to prescribe rules and regulations to carry out the purpose of this section.

[(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts in connection with advances made under this

section. There are hereby authorized to be appropriated to such revolving fund, in addition to the amount authorized by this section as originally enacted, the further amounts of \$12,000,000 which may be made available to the revolving fund on or after July 1, 1956; \$12,000,000 which may be made available to such fund on or after July 1, 1957; \$14,000,000 which may be made available to such fund on or after July 1, 1958; \$10,000,000 which may be made available to such fund on or after July 1, 1961; and such additional sums which may be made available from year to year thereafter as may be estimated to be necessary to maintain not to exceed a total of \$58,000,000 in undisbursed balances in the revolving fund and in advances outstanding for plans in preparation or for completed plans with respect to projects which, in the determination of the Administrator, can be expected to be undertaken within a reasonable period of time.】

(e) *In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances (and claims in connection with advances) outstanding as of such date, under title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-2). There are authorized to be appropriated to such revolving fund, in addition to amounts authorized to be appropriated for the purposes of this section prior to the date of the enactment of the Housing Act of 1964, such sums, not to exceed \$20,000,000, as may be necessary to carry out the purposes of this section.*

(f) The Administrator is authorized to use during any fiscal year not to exceed 【\$50,000】 \$100,000 of the moneys in the revolving fund (established under subsection (e)) to conduct surveys of the status and current volume of State and local public works planning and surveys of estimated requirements for State and local public works: *Provided*, That the Administrator, in conducting any such survey, may utilize or act through any Federal department or agency with its consent.

(g) Notwithstanding any other provision of this section, no advance made under this section for the planning of any public works project shall be required to be repaid if construction of such project is initiated as a result of a grant-in-aid made from an allocation made by the President under the Public Works Acceleration Act.

(h)(1) *Notwithstanding any other provision of law, if a public agency or Indian tribe undertakes to construct only a portion of a public work planned with an advance under this section, under title V of the War Mobilization and Reconversion Act of 1944, or under the Act of October 13, 1949, it shall repay only such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable.*

(2) *The Administrator is authorized to terminate, upon such terms and conditions as he shall deem equitable, all or a portion of the liability for repayment of any advance made under this section, title V of the War Mobilization and Reconversion Act of 1944, or the Act of October 13, 1949. Whenever the Administrator determines that there is no reasonable likelihood that the public work, or a portion of the public work, planned with such advance will be constructed, he may terminate the agreement for the advance. Such determination shall be conclusive and*

shall be based on standards prescribed by regulations to be issued by the Administrator.

HOUSING AMENDMENTS OF 1955

* * * * *

TITLE II—PUBLIC FACILITY LOANS

* * * * *

FEDERAL LOANS

SEC. 202. (a) The Housing and Home Finance Administrator is authorized (1) to purchase the securities and obligations of, or make loans to, municipalities and other political subdivisions and instrumentalities of *one or more States* (including public agencies and instrumentalities of one or more municipalities or other political subdivisions **[in the same State]** of *one or more States*), and Indian tribes to finance specific projects for public works or facilities under State, municipal, or other applicable law, and (2) to purchase the securities and obligations of, or make loans to, States, municipalities and other political subdivisions of States, public agencies and instrumentalities of one or more States, municipalities and political subdivisions of States, and public corporations, boards, and commissions established under the laws of any State, to finance the acquisition, construction, reconstruction, and improvement of facilities and equipment for use, by operation or lease or otherwise, in mass transportation service in urban areas, and for use in coordinating highway, bus, surface-rail, underground, parking and other transportation facilities in such areas. The facilities and equipment referred to in clause (2) may include land, but not public highways, and any other real or personal property needed for an economic, efficient, and coordinated mass transportation system. No such purchase or loan shall be made for payment of ordinary governmental or nonproject operating expenses.

(b) The powers granted in subsection (a) of this section shall be subject to the following restrictions and limitations:

(1) No financial assistance shall be extended under this section unless the financial assistance applied for is not otherwise available on reasonable terms, and all securities and obligations purchased and all loans made under this section shall be of such sound value or so secured as reasonably to assure retirement or repayment, and such loans may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or by the purchase of participations or otherwise.

(2) No securities or obligations shall be purchased, and no loans shall be made, including renewals or extensions thereof, which have maturity dates in excess of forty years. Subject to such maximum maturity, the Administrator in his discretion may provide for the postponement of the payment of interest on not more than 50 per centum of any financial assistance extended to an applicant under this section for a period up to ten years where (A) such assistance does not exceed 50 per centum of the development cost of the project involved, and (B) it is determined by the Administrator that such applicant will experience above-average population growth and the project would con-

tribute to orderly community development, economy, and efficiency; and any amounts so postponed shall be payable with interest in annual installments during the remaining maturity of such assistance.

(3) Financial assistance extended under this section shall bear interest at a rate determined by the Administrator which shall be not more than the higher of (A) 3 per centum per annum, or (B) the total of one-half of 1 per centum per annum added to the rate of interest paid by the Administrator on funds obtained from the Secretary of the Treasury as provided in section 203(a).

(4) No financial assistance shall be extended under clause (1) of subsection (a) of this section (A) to any municipality or other political subdivision having a population of fifty thousand or more (one hundred fifty thousand or more in the case of a community situated in an area designated as a redevelopment area under the second sentence of section 5(a) of the Area Redevelopment Act or in the case of a community in or near which is located a research or development installation of the National Aeronautics and Space Administration) according to the most recent decennial census, or [to any public agency or instrumentality of one or more municipalities or other political subdivisions having a population (or an aggregate population) equal to or exceeding that figure according to such census.]

(B) to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States, unless each municipality, political subdivision, and unincorporated area to be served by the specific public work or facility for which assistance is sought under this section has a population less than the applicable figure under clause (A) according to such census. This paragraph shall not apply to any financial assistance to be extended under subsection (a) of this section for the purpose of financing any project for public works or facilities to be initiated or accelerated as the result of a grant-in-aid from an allocation made by the President under section 9 of the Public Works Acceleration Act.

* * * * *

SEC. 404. (a) Whenever the Secretary of Defense or his designee deems it necessary for the purpose of this title, he may acquire, by purchase, donation, condemnation, or other means of transfer, any land or (with the approval of the Federal Housing Commissioner) (1) any housing financed with mortgages insured under title VIII of the National Housing Act as in effect prior to August 11, 1955, or (2) any housing situated adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) certified by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 207 of the National Housing Act. The purchase price of any such housing shall not exceed the Federal Housing Commissioner's estimate of the replacement cost of such housing and related property (not including the value of any improvements installed or constructed with appropriated funds) as of the date of final endorsement for mortgage insurance reduced by an appropriate allowance representing the estimated cost of repairs and replacements necessary to restore the property to sound physical condition, as determined by the Secretary of Defense or his designee

upon the advice of the Commissioner: *Provided*, That in any case where the Secretary or his designee acquires a project held by the Commissioner, the price paid shall not exceed the face value of the debentures (plus accrued interest thereon) which the Commissioner issued in acquiring such project, or (3) *any housing situated on or adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) considered by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 608 of the National Housing Act, including adjacent property constructed primarily to provide commercial facilities for the occupants of such housing.*

* * * * *

HOUSING ACT OF 1959

TITLE II—HOUSING FOR THE ELDERLY OR HANDICAPPED

* * * * *

LOAN PROGRAM

SEC. 202. (a)(1) The purpose of this section is to assist private nonprofit corporations, consumer cooperatives, or public bodies or agencies to provide housing and related facilities for [elderly families and elderly persons] *elderly or handicapped families*.

(2) In order to carry out the purpose of this section, the Administrator may make loans to any corporation (as defined in subsection (d)(2)), to any consumer cooperative, or to any public body or agency for the provision of rental or cooperative housing and related facilities for [elderly families and elderly persons] *elderly or handicapped families*, except that (A) no such loan shall be made unless the applicant shows that it is unable to secure the necessary funds from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this section, (B) no such loan shall be made unless the Administrator finds that the construction will be undertaken in an economical manner and that it will not be of elaborate or extravagant design or materials, and (C) no such loan shall be made to a public body or agency unless it certifies that it is not receiving financial assistance from the United States exclusively pursuant to the United States Housing Act of 1937.

(3) A loan under this section may be in an amount not exceeding the total development cost (as defined in subsection (d)(3)), as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding fifty years, as may be determined by him; and shall bear interest at a rate determined by him which shall be not more than the higher of (A) 2½ per centum per annum, or (B) the total of one-quarter of 1 per centum added to the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date on which the loan is made and adjusted to the nearest one-eighth of 1 per centum.

(4) There is authorized to be appropriated not to exceed [\$275,000,-000] \$350,000,000 which shall constitute a revolving fund to be used by the Administrator in carrying out this section.

* * * * *

(d) As used in this section—

[(1) The term “housing” means new structures suitable for dwelling use by elderly families and new structures suitable for such use by one or more elderly persons.]

(1) The term “housing” means structures suitable for dwelling use by elderly or handicapped families which are (A) new structures, or (B) provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families.

(2) The term “corporation” means any incorporated private institution or foundation no part of the net earnings of which inures to the benefit of any private shareholder, contributor, or individual, if such institution or foundation is approved by the Administrator as to financial responsibility.

(3) The term “development cost” means costs of construction of housing and of other related facilities, and of the land on which it is located, including necessary site improvement.

(4) [The term “elderly families” means families the head of which (or his spouse) is sixty-two years of age or over; and the term “elderly persons” means persons who are sixty-two years of age or over.] *The term “elderly or handicapped families” means families which consist of two or more persons and the head of which (or his spouse) is sixty-two years of age or over or is handicapped, and such term also means a single person who is sixty-two years of age or over or is handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Administrator, to have a physical impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions. The Administrator shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, the eligibility of families and persons for admission to and occupancy of housing constructed with assistance under this section.*

(5) The term “State” includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

(6) The term “Administrator” means the Housing and Home Finance Administrator.

(7) The term “construction” means erection of new structures or rehabilitation, alteration, conversion, or improvement of existing structures.

[(8) The term “related facilities” means new structures suitable for use as cafeterias or dining halls, community rooms or buildings, or infirmaries or other inpatient or outpatient health facilities, or for other essential service facilities.]

(8) The term “related facilities” means (A) new structures suitable for use by elderly or handicapped families as cafeterias or dining halls, community rooms or buildings, workshops, or infirm-

aries or other inpatient or outpatient health facilities, or other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.

(e) Nothing in this section or in regulations promulgated under this section shall prevent a corporation or consumer cooperative from obtaining a loan under this section for the provision of housing and related facilities for **[elderly families and elderly persons]** *elderly or handicapped families*, notwithstanding the fact that such corporation or cooperative has theretofore obtained a commitment from the Federal Housing Administration for mortgage insurance under section 231 of the National Housing Act with respect to the housing involved, if (1) such corporation or cooperative is otherwise eligible for such loan under this section, (2) such commitment was obtained prior to the date of enactment of the Housing Act of 1961, and (3) the Administrator determines that the financing of such housing through a loan under this section rather than through mortgage insurance under such section 231 is necessary or desirable in order to avoid hardship for the **[elderly families and elderly persons]** *elderly or handicapped families*, who are the prospective tenants of such housing.

HOUSING ACT OF 1961

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TITLE II—HOUSING FOR ELDERLY PERSONS AND LOW INCOME FAMILIES

* * * * *

DEMONSTRATION PROGRAMS

SEC. 207. The Housing and Home Finance Administrator is authorized to enter into contracts to make grants, not exceeding **[\$5,000,000]** *\$10,000,000*, to public or private bodies or agencies, subject to such terms and conditions as he shall prescribe, for the purposes of developing and demonstrating new or improved means of providing housing for low income persons and families *and of demonstrating the types of housing and the means of providing housing that will assist low income persons or families who qualify as handicapped families as defined in section 202 of the Housing Act of 1959.* Advances and progress payments may be made, under any contract to make grants under this section, without regard to the provisions of section 3648 of the Revised Statutes.

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TITLE VII—OPEN SPACE LAND

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FEDERAL GRANTS

SEC. 702. (a) * * *

* * * * *

(b) The Administrator may enter into contracts to make grants under this title aggregating not to exceed **[\$50,000,000]** *\$75,000,000*. There are hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the amounts necessary

to provide for the payment of such grants as well as to carry out all other purposes of this title. *All funds so appropriated shall remain available until expended.*

SMALL BUSINESS ACT

* * * * *

SEC. 7. (a) * * *

(b) The Administration also is empowered—

* * * * *

(3) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in reestablishing its business, if the Administration determines that such concern has suffered substantial economic injury as a result of its displacement by a federally aided urban renewal or highway construction program or by any other construction conducted by or with funds provided by the Federal Government; *and the purposes of a loan made pursuant to this paragraph may, in the discretion of the Administration, include the purchase or construction of other premises whether or not the borrower owned the premises from which it was displaced.*

* * * * *

SEC. 8. (a) * * *

(b) It shall also be the duty of the Administration and it is hereby empowered, whenever it determines such action is necessary—

(1) to provide technical and managerial aids to small-business concerns, by advising and counseling on matters in connection with Government procurement and property disposal and on policies, principles, and practices of good management, including but not limited to cost accounting, methods of financing, business insurance, accident control, wage incentives, and methods engineering, by cooperating and advising with voluntary business, professional, educational, and other nonprofit organizations, associations, and institutions and with other Federal and State agencies, by maintaining a clearinghouse for information concerning the managing, financing, and operation of small-business enterprises by disseminating such information, and by such other activities as are deemed appropriate by the Administration;

(2) to make a complete inventory of all productive facilities of small-business concerns or to arrange for such inventory to be made by any other governmental agency which has the facilities. In making any such inventory, the appropriate agencies in the several States may be requested to furnish an inventory of the productive facilities of small-business concerns in each respective State if such an inventory is available or in prospect;

(3) to coordinate and to ascertain the means by which the productive capacity of small-business concerns can be most effectively utilized;

(4) to consult and cooperate with officers of the Government having procurement or property disposal powers, in order to

utilize the potential productive capacity of plants operated by small-business concerns;

(5) to obtain information as to methods and practices which Government prime contractors utilize in letting subcontracts and to take action to encourage the letting of subcontracts by prime contractors to small-business concerns at prices and on conditions and terms which are fair and equitable;

(6) to determine within any industry the concerns, firms, persons, corporations, partnerships, cooperatives, or other business enterprises which are to be designated "small-business concerns" for the purpose of effectuating the provisions of this Act. To carry out this purpose the Administrator, when requested to do so, shall issue in response to each such request an appropriate certificate certifying an individual concern as a "small-business concern" in accordance with the criteria expressed in this Act. Any such certificate shall be subject to revocation when the concern covered thereby ceases to be a "small-business concern." Offices of the Government having procurement or lending powers, or engaging in the disposal of Federal property or allocating materials or supplies, or promulgating regulations affecting the distribution of materials or supplies, shall accept as conclusive the Administration's determination as to which enterprises are to be designated "small-business concerns", as authorized and directed under this paragraph;

(7) to certify to Government procurement officers, and officers engaged in the sale and disposal of Federal property, with respect to the competency, as to capacity and credit, of any small-business concern or group of such concerns to perform a specific Government contract. In any case in which a small-business concern or group of such concerns has been certified by or under the authority of the Administration to be a competent Government contractor with respect to capacity and credit as to a specific Government contract, the officers of the Government having procurement or property disposal powers are directed to accept such certification as conclusive, and are authorized to let such Government contract to such concern or group of concerns without requiring it to meet any other requirement with respect to capacity and credit;

(8) to obtain from any Federal department, establishment, or agency engaged in procurement or in the financing of procurement or production such reports concerning the letting of contracts and subcontracts and the making of loans to business concerns as it may deem pertinent in carrying out its functions under this Act;

(9) to obtain from any Federal department, establishment, or agency engaged in the disposal of Federal property such reports concerning the solicitation of bids, time of sale, or otherwise as it may deem pertinent in carrying out its functions under this Act;

(10) to obtain from suppliers of materials information pertaining to the method of filling orders and the bases for allocating their supply, whenever it appears that any small business is unable to obtain materials from its normal sources;

(11) to make studies and recommendations to the appropriate Federal agencies to insure that a fair proportion of the total

purchases and contracts for property and services for the Government be placed with small-business enterprises, to insure that a fair proportion of Government contracts for research and development be placed with small-business concerns, to insure that a fair proportion of the total sales of Government property be made to small-business concerns, and to insure a fair and equitable share of materials, supplies, and equipment to small-business concerns;

(12) to consult and cooperate with all Government agencies for the purpose of insuring that small-business concerns shall receive fair and reasonable treatment from such agencies; **[and]**

(13) to establish such small business advisory boards and committees truly representative of small business as may be necessary to achieve the purposes of this Act **[.]**; and

(14) to provide at the earliest practicable time such information and assistance as may be appropriate, including information concerning eligibility for loans under section 7(b) (3), to local public agencies (as defined in section 110(h) of the Housing Act of 1949) and to small-business concerns to be displaced by federally aided urban renewal projects in order to assist such small-business concerns in reestablishing their operations.

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HOME OWNERS' LOAN ACT OF 1933

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FEDERAL SAVINGS AND LOAN ASSOCIATIONS

SEC. 5. (a) * * *

* * * * *

(c) Such associations shall lend their funds only on the security of their shares or on the security of first liens upon real property within **[fifty]** one hundred miles of their home office which constitute first liens upon homes, combinations of homes and business property, other dwelling units, or combinations of dwelling units, including homes, and business property involving only minor or incidental business use (all of which may be defined by the Board): *Provided*, That not more than **[\$35,000]** \$40,000 for each single-family dwelling, and not more than such amount per room as the Board may determine by regulation within the limits allowable (at the time of the loan) in section 207(c) (3) of the National Housing Act for any other dwelling unit covered by such lien, shall be loaned on the security of any such lien, and the Board shall by regulation limit to not more than 15 per centum of the assets of the association the aggregate amount or amounts of the investments which may be made by an association under the foregoing provisions of this sentence on the security of property which comprises or includes more than four dwelling units or does not constitute homes or combinations of homes and business property; except that not exceeding 20 per centum of the assets of such association may be loaned on the security of first liens upon improved real estate without regard to the foregoing limitations, and additional sums not exceeding 20 per centum of the assets of an association may be

used without regard to such area restriction for the making or purchase of participating interests in first liens on real property of the type described in this sentence in the matter preceding this proviso [except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association]: *And provided further*, That any portion of the assets of such associations may be invested in obligations of the United States or the stock or bonds of a Federal Home Loan Bank [or in the obligations of the Federal National Mortgage Association]; *or in obligations of the Federal National Mortgage Association or of any other agency of the United States; or in obligations of or guaranteed by, or special obligations (which may be defined by the Board) issued by, any one or more of the following: any State, any county, municipality, or political subdivision of any State, or any district, public instrumentality, or public authority of any one or more of the foregoing; and as used in this proviso the term "State" shall include the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States. And provided further*, That any such association which is converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter. In addition to the loans and investments otherwise authorized, such associations may purchase, subject to all the provisions of this paragraph except the area restriction, loans secured by first liens on improved real estate which are insured under the provisions of the National Housing Act, as amended, or insured as provided in the Servicemen's Readjustment Act of 1944, as amended, or chapter 37 of title 38, United States Code.

[Without regard to any other provision of this subsection except the area requirement such associations are authorized to invest a sum not in excess of 15 per centum of the assets of such association in loans insured under title I of the National Housing Act, in home improvement loans insured under title II of the National Housing Act, in unsecured loans insured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as amended, or chapter 37 of title 38, United States Code, and in other loans for property alteration, repair, or improvement: *Provided*, That no such loan, unless so insured or guaranteed, shall be made in excess of \$3,500.] *Without regard to any other provision of this subsection except the area requirement, any such association is authorized to invest a sum not in excess of 20 per centum of the assets of such association in loans insured under title I of the National Housing Act, in home improvement loans insured under title II of the National Housing Act, in unsecured loans insured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as amended, or chapter 37 of title 38 of the United States Code, and in other loans for property alteration, repair, or improvement: Provided*, That no such loan, unless so insured or guaranteed, shall be made in excess of \$5,000. Participating interests in loans secured by mortgages which have the benefit of insurance or guaranty (or a commitment therefor) under the National Housing Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code, shall not be taken into account in determining the amount of loans which an association may make within any of the percentage limitations contained in the first proviso of this subsection.

Without regard to any other provision of this subsection except the area restriction, any such association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to invest an amount not exceeding at any one time 5 per centum of such withdrawable accounts in loans to finance the acquisition and development of land for primarily residential usage, subject to such rules and regulations as the Board may prescribe.

Without regard to any other provision of this subsection except the area restriction and the dollar amount limitation, any such association may invest an amount not exceeding at any one time 5 per centum of its assets in nonamortized loans which are made on the security of first liens upon homes or combinations of homes and business property and which (1) are repayable within a period of eighteen months, (2) provide that interest payments be made at least semiannually, and (3) do not exceed 80 per centum of the appraised value of the property involved. For the purposes of this paragraph the term "first liens" includes the assignment of the whole of the beneficial interest in a trust having a corporate trustee whereunder real estate held in the trust can be subjected to the satisfaction of the obligation or obligations secured with the same priority as a first mortgage, a first deed of trust, or a first trust deed in the jurisdiction where the real estate is located.

Without regard to any other provision of this subsection except the area restriction, any such association is authorized to invest an amount not exceeding at any one time 5 per centum of its assets in amortized loans or participating interests therein which are secured by first liens upon improved real estate used to provide housing facilities for the aging, subject to the following qualifications:

(1) each such loan shall be repayable within a period of 30 years;

(2) no such loan shall exceed 90 per centum of the appraised value of the improved real estate given as security therefor; and

(3) each such loan—

(A) shall be made upon and secured by real estate which is improved by housing accommodations, individual or multiple, designed for the purpose of providing accommodations for occupancy by aging persons, or of providing rest homes or nursing homes, so constructed or altered as to be suitable primarily for the occupancy of persons over fifty-five years of age and limited principally to the occupancy of such persons; and

(B) shall be made for the implementation of the purpose described in clause (A).

【Without regard to any other provision of this subsection, any such association is authorized to invest not more than 5 per centum of its assets in certificates of beneficial interest issued by any urban renewal investment trust. For the purposes of this paragraph the term "urban renewal investment trust" means an unincorporated trust established by written agreement between the authorized officers of two or more savings institutions the savings or share accounts of which are insured by an agency of the Federal Government, which agreement—

【(1) expressly limits the purposes of the trust and the investment powers of the trustees to the elimination or prevention of

the spread of slums and blighted or deteriorated or deteriorating areas and the redevelopment, renewal, rehabilitation, or conservation of such areas by private enterprise through financing the purchase or rehabilitation of real property, or the construction of improvements thereon, designed or usable for industrial, commercial, or housing purposes within the confines of an urban renewal area (as defined in section 110 of the Housing Act of 1949);

[(2) expressly limits the beneficial ownership of the trust to savings and loan associations or banks the savings or share accounts of which are insured by an agency of the Federal Government;

[(3) provides that such beneficial ownership be evidenced by certificates of beneficial interest, which certificates shall have first claim at all times on the assets of the trust without preference between the holders thereof, and shall be fully transferable and assignable between any such banks and savings and loan associations at all times; and

[(4) expressly provides that it shall be effective and binding between the parties thereto only upon being approved by the Board.

Any association chartered under the provisions of this section may become a party to any urban renewal investment trust. The Federal Home Loan Bank Board shall prescribe such rules and regulations, not inconsistent with the provisions of this paragraph, as it may deem necessary for the proper establishment of urban renewal investment trusts, for the effective operation thereof, and the participation in such operations of eligible institutions either as parties, as trustees, or as the holders of certificates of beneficial interest.]

Without regard to any other provision of this subsection, any such association is authorized to invest not more than 5 per centum of its assets in, or in interests in, real property located within urban renewal areas as defined in subsection (a) of section 110 of the Housing Act of 1949 and obligations secured by first liens on real property so located, but no investment shall be made by an association under this sentence in real property or any interest therein if the aggregate investment of the association under this sentence in real property and interests therein, determined as prescribed by the Board, would thereupon exceed 2 per centum of the assets of the association.

Without regard to any other provision of this subsection, any such association whose general reserves, surplus, and undivided profits aggregate a sum in excess of 5 per centum of its withdrawable accounts is authorized to invest in, to lend to, or to commit itself to lend to any business development credit corporation incorporated in the State in which the head office of such association is situated, in the same manner and to the same extent as the statutes of such State authorize a savings and loan association organized under the laws of said State to invest in, to lend to, or to commit itself to lend to such business development credit corporation, but the aggregate amount of such investments, loans, and commitments of any such association outstanding at any time shall not exceed one-half of 1 per centum of the total outstanding loans made by such association, or \$250,000, whichever is the lesser.

For the purpose of this section the terms "real property" and "real estate" shall include a leasehold or subleasehold estate in real property under a lease or sublease the term of which does not expire, or which is renewable automatically or at the option of the holder (or at the option of the association) so as not to expire, for at least fifteen years beyond the maturity of the debt, or for such shorter period as the Board, by regulation, may prescribe.

Subject to rules and regulations of the Board, any such association is authorized to invest in the capital stock, obligations, or other securities of any corporation organized under the laws of the State, District, Commonwealth, territory, or possession in which the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of that State, District, Commonwealth, territory, or possession and by Federal savings and loan associations having their home offices therein, but no association may make any investment under this sentence if its aggregate outstanding investment under this sentence, determined as prescribed by the Board, would thereupon exceed 2 per centum of its assets.

SECTION 10(b) OF THE FEDERAL HOME LOAN BANK ACT

(b) No home mortgage shall be accepted as collateral security for an advance by a Federal Home Loan Bank if, at the time such advance is made (1) the home mortgage loan secured by it has more than **[twenty-five]** *thirty* years to run to maturity, unless such home mortgage is insured under the National Housing Act, as amended, or insured or guaranteed under the Servicemen's Readjustment Act of 1944, as amended, chapter 37 of Title 38, United States Code, or (2) the home mortgage exceeds, a sum equal to **[\$35,000]** *\$40,000* for each home or other dwelling unit covered by such mortgage or (3) is past due more than six months when presented, unless the amount of the debt secured by such home mortgage is less than 50 per centum of the value of the real estate with respect to which the home mortgage was given, as such real estate was appraised when the home mortgage was made. For the purposes of this subsection and subsection (a) of this section the value of real estate shall be as of the time the advance is made and shall be established by such certification by the borrowing institution, or such other evidence, as the board may require. For the purposes of this section, each Federal Home Loan Bank shall have power to make, or to cause or require to be made, such appraisals and other investigations as it may deem necessary. No home mortgage otherwise eligible to be accepted as collateral security for an advance by a Federal Home Loan Bank shall be accepted if any director, officer, employee, attorney, or agent of the Federal Home Loan Bank or of the borrowing institution is personally liable thereon, unless the board has specifically approved by formal resolution such acceptance.



H. R. 12175

[Report No. 1703]

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 1964

Mr. RAINS introduced the following bill; which was referred to the Committee on Banking and Currency

AUGUST 5, 1964

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Housing Act of 1964".

4 TITLE I—AMENDMENTS TO THE NATIONAL

5 HOUSING ACT

6 MORTGAGE LIMITS FOR HOMES UNDER SECTION 203

7 PROGRAMS

8 SEC. 101. (a) Section 203 (b) (2) of the National
9 Housing Act is amended—

10 (1) by striking out "\$25,000", "\$27,500", "\$27,-
11 500", and "\$35,000" and inserting in lieu thereof

1 “\$30,000”, “\$32,500”, “\$32,500”, and “\$37,500”, re-
 2 spectively; and

3 (2) by striking out “90 per centum”, “90 per
 4 centum”, and “75 per centum” and inserting in lieu
 5 thereof “92 per centum”, $92\frac{1}{2}$ per centum”, and “80
 6 per centum”, respectively.

7 (b) Section 203 (i) of such Act is amended by striking
 8 out “\$9,000” and inserting in lieu thereof “\$11,000”.

9 HOME IMPROVEMENT LOANS OUTSIDE OF URBAN RENEWAL
 10 AREAS

11 SEC. 102. Section 203 (k) of the National Housing Act
 12 is amended by striking out “economically sound” in clause
 13 (2) of the first sentence and inserting in lieu thereof “an
 14 acceptable risk”.

15 ADDITIONAL RELIEF FOR HOME MORTGAGORS IN DEFAULT
 16 DUE TO CIRCUMSTANCES BEYOND THEIR CONTROL

17 SEC. 103. (a) Section 204 (a) of the National Housing
 18 Act is amended by striking out the fourth proviso and in-
 19 serting in lieu thereof the following: “: *And provided fur-*
 20 *ther*, That with respect to any mortgage covering a one-,
 21 two-, three-, or four-family residence insured under this
 22 Act, if the Commissioner finds, after notice of default, that
 23 the default was due to circumstances beyond the control of
 24 the mortgagor, he may, upon such terms and conditions
 25 as he may prescribe, (1) approve the request of the mort-

1 gagee for an extension of the time for the curing of the
2 default and of the time for commencing foreclosure proceed-
3 ings or for otherwise acquiring title to the mortgaged prop-
4 erty to such time as the Commissioner may determine is
5 necessary and desirable to enable the mortgagor to complete
6 the mortgage payments, including an extension of time
7 beyond the stated maturity of the mortgage, and in the
8 event of a subsequent foreclosure or acquisition of the prop-
9 erty by other means the Commissioner is authorized to in-
10 clude in the debentures an amount equal to any unpaid mort-
11 gage interest, or (2) approve a modification of the terms of
12 the mortgage for the purpose of changing the amortization
13 provisions by recasting, over the remaining term of the mort-
14 gage or over such longer period as may be approved by the
15 Commissioner, the total unpaid amount then due, as deter-
16 mined by the Commissioner, with the modification to become
17 effective currently or to become effective upon the termina-
18 tion of an agreed-upon extension of the period for curing
19 the default; and the principal amount of the mortgage, as
20 modified, shall be considered to be the 'original principal
21 obligation of the mortgage' as that term is used in this Act
22 for the purpose of computing the total face value of the
23 debentures to be issued or the cash payment to be made by
24 the Commissioner to a mortgagee".

25 (b) Section 230 of such Act is amended by striking

1 out the first sentence and inserting in lieu thereof the follow-
2 ing: "Upon receiving notice of the default of any mortgage
3 covering a one-, two-, three-, or four-family residence here-
4 tofore or hereafter insured under this Act, the Commissioner,
5 in his discretion and for the purpose of avoiding foreclosure
6 of the mortgage, and notwithstanding the fact that he has
7 previously approved a request of the mortgagee for an ex-
8 tension of the time for curing the default and of the time for
9 commencing foreclosure proceedings or for otherwise acquir-
10 ing title to the mortgaged property, or has approved a
11 modification of the mortgage for the purpose of changing
12 the amortization provisions by recasting the unpaid balance,
13 may acquire the loan and security therefor upon payment
14 of the insurance benefits in an amount equal to the unpaid
15 principal balance of the loan plus any unpaid mortgage in-
16 terest plus reimbursement for such costs and attorney's fees
17 as the Commissioner finds were properly incurred in connec-
18 tion with the defaulted mortgage and its assignment to the
19 Commissioner, and for any proper advances theretofore made
20 by the mortgagee under the provisions of the mortgage.
21 After the acquisition of such mortgage by the Commissioner,
22 the mortgagee shall have no further rights, liabilities, or
23 obligations with respect thereto."

1 MAXIMUM AMOUNT OF SECTION 207 RENTAL HOUSING
2 MORTGAGES

3 SEC. 104. Section 207 (c) (2) of the National Housing
4 Act is amended by striking out all that follows the first colon
5 and precedes "to mortgages on housing in Alaska", and
6 inserting in lieu thereof the following: "*Provided*, That this
7 limitation shall not apply".

8 FAMILY UNIT LIMITS ON FHA RENTAL HOUSING

9 SEC. 105. (a) Section 207 (c) (3) of the National
10 Housing Act is amended by striking out the first paragraph
11 and inserting in lieu thereof the following:

12 "(3) not to exceed, for such part of the property or
13 project as may be attributable to dwelling use (excluding
14 exterior land improvements as defined by the Commis-
15 sioner), \$9,000 per family unit without a bedroom, \$12,500
16 per family unit with one bedroom, \$15,000 per family unit
17 with two bedrooms, and \$18,500 per family unit with three
18 or more bedrooms or not to exceed \$1,800 per space or
19 \$500,000 per mortgage for trailer courts or parks; except
20 that as to projects to consist of elevator-type struc-
21 tures the Commissioner may, in his discretion, increase the
22 dollar amount limitations per family unit to not to exceed
23 \$10,500 per family unit without a bedroom, \$15,000 per

1 family unit with one bedroom, \$18,000 per family unit with
2 two bedrooms, and \$22,500 per family unit with three or
3 more bedrooms, as the case may be, to compensate for the
4 higher costs incident to the construction of elevator-type
5 structures of sound standards of construction and design; and
6 except that the Commissioner may, by regulation, increase
7 any of the foregoing dollar amount limitations contained in
8 this paragraph by not to exceed 30 per centum in any geo-
9 graphical area where he finds that cost levels so require.”

10 (b) Section 213 (b) (2) of such Act is amended by
11 striking out all that precedes the third proviso and inserting
12 in lieu thereof the following:

13 “(2) not to exceed, for such part of the property or
14 project as may be attributable to dwelling use (exclud-
15 ing exterior land improvements as defined by the Com-
16 missioner), \$9,000 per family unit without a bedroom,
17 \$12,500 per family unit with one bedroom, \$15,000 per
18 family unit with two bedrooms, and \$18,500 per family
19 unit with three or more bedrooms, and not to exceed 97
20 per centum of the amount which the Commissioner esti-
21 mates will be the replacement cost of the property or
22 project when the proposed physical improvements are
23 completed: *Provided*, That as to projects to consist of
24 elevator-type structures the Commissioner may, in his
25 discretion, increase the dollar amount limitations per

family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further*, That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require”.

(c) Section 220 (d) (3) (B) (iii) of such Act is amended to read as follows:

“(iii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000

1 per family unit with one bedroom, \$18,000 per family
2 unit with two bedrooms, and \$22,500 per family unit
3 with three or more bedrooms, as the case may be, to
4 compensate for the higher costs incident to the construc-
5 tion of elevator-type structures of sound standards of
6 construction and design; and except that the Commis-
7 sioner may, by regulation, increase any of the fore-
8 going dollar amount limitations contained in this clause
9 by not to exceed 30 per centum in any geographical area
10 where he finds that cost levels so require: *Provided,*
11 That nothing contained in this subparagraph shall pre-
12 clude the insurance of mortgages covering existing
13 multifamily dwellings to be rehabilitated or recon-
14 structed for the purposes set forth in subsection (a) of
15 this section; and”.

16 (d) (1) Section 221 (d) (3) (ii) of such Act is
17 amended to read as follows:

18 “(ii) not exceed, for such part of the property or
19 project as may be attributable to dwelling use (exclud-
20 ing exterior land improvements as defined by the Com-
21 missioner), \$8,000 per family unit without a bedroom,
22 \$11,250 per family unit with one bedroom, \$13,500
23 per family unit with two bedrooms, and \$17,000 per
24 family unit with three or more bedrooms; except that as
25 to projects to consist of elevator-type structures the

Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require; and”.

(2) Section 221 (d) (4) (ii) of such Act is amended to read as follows:

“(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar

1 amount limitations per family unit to not to exceed
2 \$9,500 per family unit without a bedroom, \$13,500
3 per family unit with one bedroom, \$16,000 per family
4 unit with two bedrooms, and \$20,000 per family unit
5 with three or more bedrooms, as the case may be, to
6 compensate for the higher costs incident to the construc-
7 tion of elevator-type structures of sound standards of
8 construction and design; and except that the Commis-
9 sioner may, by regulation, increase any of the foregoing
10 dollar amount limitations contained in this clause by not
11 to exceed 30 per centum in any geographical area where
12 he finds that cost levels so require;”.

13 (e) Section 231 (c) (2) of such Act is amended to
14 read as follows:

15 “(2) not exceed, for such part of the property or
16 project as may be attributable to dwelling use (exclud-
17 ing exterior land improvements as defined by the Com-
18 missioner), \$8,000 per family unit without a bedroom,
19 \$11,250 per family unit with one bedroom, \$13,500 per
20 family unit with two bedrooms, and \$17,000 per family
21 unit with three or more bedrooms; except that as to
22 projects to consist of elevator-type structures the Com-
23 missioner may, in his discretion, increase the dollar
24 amount limitations per family unit to not to exceed
25 \$9,500 per family unit without a bedroom, \$13,500

1 per family unit with one bedroom, \$16,000 per family
2 unit with two bedrooms, and \$20,000 per family unit
3 with three or more bedrooms, as the case may be, to
4 compensate for the higher costs incident to the construc-
5 tion of elevator-type structures of sound standards of con-
6 struction and design; and except that the Commissioner
7 may, by regulation, increase any of the foregoing dollar
8 amount limitations contained in this paragraph by not
9 to exceed 30 per centum in any geographical area where
10 he finds that cost levels so require;”.

11 (f) (1) Clause (2) in the first sentence of section
12 810 (f) of such Act is amended by striking out “\$2,500
13 per room (or \$9,000 per family unit if the number of rooms
14 in such property or project is less than four per family
15 unit)” and inserting in lieu thereof “\$9,000 per family
16 unit without a bedroom, \$12,500 per family unit with one
17 bedroom, \$15,000 per family unit with two bedrooms, and
18 \$18,500 per family unit with three or more bedrooms”.

19 (2) The second sentence of section 810 (f) of such Act
20 is amended to read as follows: “The Commissioner may, by
21 regulation, increase any of the foregoing dollar amount
22 limitations contained in this paragraph by not to exceed 30
23 per centum in any geographical area where he finds that cost
24 levels so require.”

1 SUPPLEMENTARY COOPERATIVE LOANS UNDER SECTION
2 213(j)

3 SEC. 106. (a) Section 213 (j) (1) of the National Hous-
4 ing Act is amended—

5 (1) by striking out “or” at the end of clause (A) ;

6 (2) by striking out the period at the end of clause

7 (B) and inserting in lieu thereof “; or”; and

8 (3) by adding at the end thereof the following
9 new clause:

10 “(C) Cooperative purchases and resales of mem-
11 berships in order to provide necessary refinancing for re-
12 sales of memberships which involve increases in equity;
13 but in such resales by the cooperative the downpayments
14 by the new members shall not be less than those made
15 on the original sales of such memberships.”

16 (b) Section 305 (e) of such Act is amended by adding
17 at the end thereof the following new sentence: “Without
18 regard to any of the limitations of this subsection except
19 the total amount of authorizations available, the Association
20 is authorized to enter into advance commitment contracts
21 and purchase transactions on supplementary cooperative
22 loans with respect to which the Federal Housing Commis-
23 sioner shall have issued, pursuant to section 213 (j) , either a
24 commitment to insure or a statement of eligibility; but such
25 commitments and purchases shall be made solely where

1 there is a management-type cooperative involved which is
2 certified by the Federal Housing Commissioner as a con-
3 sumer cooperative.”

4 MUTUALITY FOR MANAGEMENT-TYPE COOPERATIVES

5 SEC. 107. (a) Section 213 of the National Housing Act
6 is amended by adding at the end thereof the following new
7 subsections:

8 “(k) There is hereby created a Cooperative Manage-
9 ment Housing Insurance Fund (hereinafter referred to as
10 the ‘Management Fund’). The Management Fund shall
11 be used by the Commissioner as a revolving fund for carry-
12 ing out the provisions of this section with respect to
13 mortgages or loans insured, on or after the date of the enact-
14 ment of this subsection, under subsections (a) (1), (a) (3)
15 (if the project is acquired by a cooperative corporation),
16 (i), and (j). The Management Fund shall also be used as
17 a revolving fund for mortgages, loans, and commitments
18 transferred to it pursuant to subsection (m). The Commis-
19 sioner is directed to transfer to the Management Fund from
20 the Housing Insurance Fund established pursuant to section
21 207 (f) such amount as the Commissioner determines to be
22 necessary and appropriate. General expenses of operation
23 of the Federal Housing Administration relating to mort-
24 gages or loans which are the obligation of the Management
25 Fund may be charged to the Management Fund.

1 “(1) The Commissioner shall establish in the Manage-
2 ment Fund, as of the date of the enactment of this subsec-
3 tion, a General Surplus Account and a Participating Reserve
4 Account. The aggregate net income thereafter received or
5 any net loss thereafter sustained by the Management Fund,
6 in any semiannual period, shall be credited or charged to
7 the General Surplus Account or the Participating Reserve
8 Account or both in such manner and amounts as the Com-
9 missioner may determine to be in accord with sound actu-
10 arial and accounting practice. Upon termination of the
11 insurance obligation of the Management Fund by payment
12 of any mortgage or loan insured under this section, and at
13 such time or times prior to such termination as the Commis-
14 sioner may determine, the Commissioner is authorized to
15 distribute to the mortgagor or borrower a share of the Par-
16 ticipating Reserve Account in such manner and amount as
17 the Commissioner shall determine to be equitable and in ac-
18 cordance with sound actuarial and accounting practice: *Pro-*
19 *vided*, That in no event shall the amount of the distributable
20 share exceed the aggregate scheduled annual premiums of the
21 mortgagor or borrower to the year of payment of the share
22 less the total amount of any share or shares previously dis-
23 tributed by the Commissioner to the mortgagor or borrower:
24 *And provided further*, That in no event may a distributable
25 share be distributed until any funds transferred to the Man-

1 agement Fund pursuant to section 219 have been repaid in
2 full to the transferring fund. No mortgagor, mortgagee,
3 borrower, or lender shall have any vested right in a credit
4 balance in any such account or be subject to any liability
5 arising out of the mutuality of the Management Fund. The
6 determination of the Commissioner as to the amount to be
7 paid by him to any mortgagor or borrower shall be final and
8 conclusive.

9 “(m) The Commissioner is authorized to transfer to the
10 Management Fund commitments for insurance issued under
11 subsections (a) (1), (i), and (j) prior to the date of the
12 enactment of this subsection, and to transfer to the Manage-
13 ment Fund the insurance of any mortgage or loan insured
14 prior to the date of the enactment of this subsection under
15 subsection (a) (1), (a) (3) (if the project is acquired by a
16 cooperative corporation), (i), or (j), but only in cases where
17 the consent of the mortgagee or lender to the transfer is
18 obtained or a request by the mortgagee or lender for the
19 transfer is received by the Commissioner within such period
20 of time after the date of the enactment of this subsection as
21 the Commissioner shall prescribe: *Provided*, That the insur-
22 ance of any mortgage or loan shall not be transferred under
23 the provisions of this subsection if on the date of the enact-
24 ment of this subsection the mortgage or loan is in default and
25 the mortgagee or lender has notified the Commissioner in

1 writing of its intention to file an insurance claim. Any
2 insurance or commitment not so transferred shall continue to
3 be an obligation of the Housing Insurance Fund.

4 “(n) Notwithstanding the limitations contained in
5 other provisions of this Act, premium charges for mortgages
6 or loans insured under sections 207, 213, 231, and 232 may
7 be payable in debentures issued in connection with mort-
8 gages or loans transferred to the Management Fund or in
9 connection with mortgages or loans insured pursuant to com-
10 mitments transferred to the Management Fund, as provided
11 in subsection (m) of this section.”

12 (b) Section 213 of such Act is further amended—

13 (1) by inserting before the period at the end of
14 subsection (a) the following: “: *Provided*, That as ap-
15 plied to mortgages the mortgage insurance for which is
16 the obligation of the Management Fund, the reference
17 to the Housing Fund in section 207 (b) (2) shall be
18 construed to refer to the Management Fund”; and

19 (2) by inserting before the period at the end of
20 subsection (e) the following: “: *Provided*, That as ap-
21 plied to mortgages or loans the insurance for which is
22 the obligation of the Management Fund (1) all refer-
23 ences to the Housing Insurance Fund or Housing Fund
24 shall be construed to refer to the Management Fund, and
25 (2) all references to section 207 shall be construed to

refer to subsections (a) (1), (a) (3) (if the project involved is acquired by a cooperative corporation), (i), and (j) of this section”.

(c) Section 207 (f) of such Act is amended by inserting at the end thereof the following new sentence: “This subsection shall not be applicable to a mortgage or loan, insured under section 213, the mortgage or loan insurance for which is the obligation of the Cooperative Management Housing Insurance Fund.”

(d) Section 219 of such Act is amended by striking out “or the Servicemen’s Mortgage Insurance Fund” and inserting in lieu thereof “the Servicemen’s Mortgage Insurance Fund, or the General Surplus Account of the Cooperative Management Housing Insurance Fund”.

MORTGAGE LIMITS UNDER SECTION 220 SALES HOUSING

MORTGAGE INSURANCE PROGRAM

SEC. 108. Section 220 (d) (3) (A) (i) of the National Housing Act is amended—

(1) by striking out “\$25,000”, “\$27,500”, “\$30,000”, “\$35,000”, and “\$35,000” and inserting in lieu thereof “\$30,000”, “\$32,500”, “\$32,500”, “\$37,500”, and “\$37,500”, respectively; and

(2) by striking out “90 per centum”, “90 per centum”, and “75 per centum” and inserting in lieu

1 thereof “92 per centum”, $92\frac{1}{2}$ per centum”, and “80
2 per centum”, respectively.

3 MORTGAGE LIMITS UNDER SECTION 220 MULTIFAMILY
4 HOUSING MORTGAGE INSURANCE PROGRAM

5 SEC. 109. Section 220 (d) (3) (B) (i) of the National
6 Housing Act is amended by striking out “\$20,000,000” and
7 inserting in lieu thereof “\$30,000,000”.

8 LOANS TO COVER THE COST OF PUBLIC IMPROVEMENTS

9 SEC. 110. (a) The second sentence of section 220 (h)
10 (1) of the National Housing Act is amended to read as
11 follows: “As used in this subsection—

12 “(A) the term ‘home improvement loan’ means
13 a loan, advance of credit, or purchase of an obligation
14 representing a loan or advance of credit made—

15 “(i) for the purpose of financing the improve-
16 ment of an existing structure (or in connection with
17 an existing structure) which was constructed not
18 less than ten years prior to the making of such loan,
19 advance of credit, or purchase, and which is used or
20 will be used primarily for residential purposes:
21 *Provided*, That a home improvement loan shall in-
22 clude a loan, advance, or purchase with respect to
23 the improvement of a structure which was construct-

1 ed less than ten years prior to the making of such
2 loan, advance, or purchase if the proceeds are or
3 will be used primarily for major structural improve-
4 ments, or to correct defects which were not known
5 at the time of the completion of the structure or
6 which were caused by fire, flood, windstorm, or
7 other casualty; or

8 “(ii) for the purpose of enabling the borrower
9 to pay that part of the cost of the construction or
10 installation of sidewalks, curbs, gutters, street pav-
11 ing, street lights, sewers, or other public improve-
12 ments, adjacent to or in the vicinity of property
13 owned by him and used primarily for residential
14 purposes, which is assessed against him or for which
15 he is otherwise legally liable as the owner of such
16 property;

17 “(B) the term ‘improvement’ means conservation,
18 repair, restoration, rehabilitation, conversion, alteration
19 enlargement, or remodeling; and

20 “(C) the term ‘financial institution’ means a lender
21 approved by the Commissioner as eligible for insurance
22 under section 2 or a mortgagee approved under section
23 203 (b) (1).”

1 (b) Section 220 (h) (2) (i) of such Act is amended by
2 inserting before the semicolon at the end thereof the follow-
3 ing: “, and be limited as required by paragraph (11)”.

4 (c) Section 220 (h) of such Act is further amended
5 by adding at the end thereof the following new paragraph:

6 “(11) Notwithstanding any other provision of this Act,
7 no home improvement loan made in whole or in part for the
8 purpose specified in clause (A) (ii) of the second sentence
9 of paragraph (1) shall be insured under this subsection if
10 such loan (or the portion thereof which is attributable to such
11 purpose), when added to the aggregate principal balance of
12 any outstanding loans insured under this subsection or section
13 203 (k) which were made to the same borrower for the pur-
14 pose so specified (or the portion of such aggregate balance
15 which is attributable to such purpose), would exceed
16 \$10,000.”

17 HOME IMPROVEMENT LOANS ON PROPERTY HELD UNDER

18 LEASE

19 SEC. 111. Section 220 (h) (2) (vi) of the National
20 Housing Act is amended by striking out “a period of not less
21 than 50 years to run from the date of the loan” and inserting
22 in lieu thereof “an expiration date in excess of 5 years later
23 than the maturity date of the loan”.

PRIVATE MORTGAGORS UNDER SECTION 221(d)(3)

SEC. 112. Section 221 (d) (3) of the National Housing Act is further amended by inserting after "section" in the matter preceding clause (i) the following: " , or a mortgagor approved by the Commissioner which (A) as a condition of obtaining the insurance of a mortgage under this section, and prior to the submission of its application for such insurance, has entered into an agreement, in form and substance satisfactory to the Commissioner, to sell the property or project covered by such mortgage (upon its completion) to a private nonprofit corporation, association, or other mortgagor approved by the Commissioner at the actual cost of the property or project as certified pursuant to section 227, and (B) is regulated or supervised by the Commissioner, under a regulatory agreement or otherwise, as to rents, charges, and methods of operation in such form and in such manner as in the opinion of the Commissioner will effectuate the purposes of this section".

MORTGAGE INSURANCE FOR SERVICEMEN

SEC. 113. Section 222 (b) of the National Housing Act is amended—

(1) by striking out "203 (b) or 203 (i) " in para-

1 graph (1) and inserting in lieu thereof "203 (b),
2 203 (i), or 221 (d) (2)," ; and

3 (2) by striking out "such principal obligation shall
4 not exceed \$9,000" in paragraph (2) and inserting
5 in lieu thereof "or section 221 (d) (2) such principal
6 obligation shall not exceed the maximum limits pre-
7 scribed for such section".

8 PRIVATE FINANCING OF SALE OF FHA-ACQUIRED

9 PROPERTIES

10 SEC. 114. Section 223 (c) of the National Housing Act
11 is amended by striking out "limitation upon eligibility con-
12 tained in this title II" and inserting in lieu thereof the fol-
13 lowing: "limitations or requirements contained in this title
14 upon the eligibility of the mortgage, upon the payment of
15 insurance premiums, or upon the terms and conditions of
16 insurance settlement and the benefits of the insurance to be
17 included in such settlement (except that in any case the
18 payment of insurance shall be in debentures)".

19 MORTGAGE INSURANCE FOR NONPROFIT NURSING HOMES

20 SEC. 115. Section 232 (b) (1) of the National Housing
21 Act is amended by inserting after "proprietary facility" the
22 following: "or facility of a private nonprofit corporation or
23 association".

EXPERIMENTAL HOUSING

SEC. 116. (a) Section 233 (a) of the National Housing Act is amended by striking out “, in the case of mortgages insured under subsection (b) (2) of this section,”.

(b) Section 233 (b) of such Act is amended to read as follows:

“(b) To be eligible for insurance under this section, a mortgage shall meet the requirements of one of the other sections of this title; except that, in determining the appraised value or the replacement cost of the property in cases involving new construction or the estimated cost of repair and rehabilitation or improvement in cases involving existing properties, the Commissioner’s estimate may be based upon an estimate of the cost of replacing the property using comparable conventional design, materials, and construction, and any limitation upon the maximum mortgage amount available to a nonoccupant owner shall not, in the discretion of the Commissioner, be applicable to mortgages insured under this section.”

(c) Section 233 of such Act is further amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

“(e) Any mortgagee under a mortgage insured under

1 subsection (b) shall be entitled to insurance benefits deter-
2 mined in the same manner as such benefits would be deter-
3 mined if such mortgage or loan were insured under the
4 section of this title for which it otherwise would have been
5 eligible except for the experimental feature of the property
6 involved.”

7 (d) Section 233 of such Act is further amended by
8 redesignating subsections (g) and (h) as subsections (f)
9 and (g), respectively, and by striking out “subsections (e)
10 and (f)” in the first sentence of the subsection so redesign-
11 ated as subsection (f) and inserting in lieu thereof “sub-
12 section (e)”.

13 MORTGAGE INSURANCE FOR CONDOMINIUMS

14 SEC. 117. (a) Section 234 of the National Housing
15 Act is amended—

16 (1) by striking out the heading and inserting in
17 lieu thereof “MORTGAGE INSURANCE FOR CONDO-
18 MINIUMS”;

19 (2) by striking out “structure” each place it ap-
20 pears and inserting in lieu thereof “project” (and by
21 striking out “structures” in the last sentence of subsec-
22 tion (c) and inserting in lieu thereof “projects”);

23 (3) by striking out “the term ‘mortgage’ for the
24 purposes of this section” in subsection (b) and insert-

1 ing in lieu thereof “the term ‘mortgage’ for the purposes
2 of subsection (c)”;

3 (4) (A) by striking out “this section” each time it
4 appears in subsection (c) and inserting in lieu thereof
5 “this subsection”;

6 (B) by striking out “under another section” in the
7 first sentence of subsection (c) and inserting in lieu
8 thereof “under any section”;

9 (5) by striking out “section 213” each time it ap-
10 pears in subsection (c) and inserting in lieu thereof
11 “section 213 (a) (1) and (2)”;

12 (6) by striking out the third sentence of subsection
13 (c) and inserting in lieu thereof the following: “To be
14 eligible for insurance pursuant to this subsection, a
15 mortgage shall (A) involve a principal obligation in
16 an amount not to exceed \$30,000, and not to exceed
17 the sum of (i) 97 per centum of \$15,000 of the amount
18 which the Commissioner estimates will be the appraised
19 value of the family unit including common areas and
20 facilities as of the date the mortgage is accepted for
21 insurance, (ii) 90 per centum of such value in excess of
22 \$15,000 but not in excess of \$20,000, and (iii) 80 per
23 centum of such value in excess of \$20,000, and (B)

1 have a maturity satisfactory to the Commissioner, but
2 not to exceed, in any event, thirty-five years from the
3 date of the beginning of amortization of the mortgage
4 or three-fourths of the Commissioner's estimate of the
5 remaining economic life of the project, whichever is the
6 lesser.”;

7 (7) by redesignating subsection (d) as subsection
8 (g), by redesignating subsections (e) and (f) as sub-
9 sections (i) and (j), respectively, and by inserting after
10 subsection (c) the following new subsections:

11 “(d) In addition to individual mortgages insured under
12 subsection (c), the Commissioner is authorized, in his dis-
13 cretion and under such terms and conditions as he may pre-
14 scribe, to insure blanket mortgages (including advances on
15 such mortgages during construction) which cover multifamily
16 projects to be constructed or rehabilitated in cases where the
17 mortgage is held by a mortgagor, approved by the Commis-
18 sioner, which—

19 “(1) has certified to the Commissioner, as a con-
20 dition of obtaining the insurance of a blanket mortgage
21 under this subsection, that upon completion of the
22 multifamily project covered by such mortgage it intends
23 to commit the ownership of the multifamily project to
24 a plan of family unit ownership under which each family
25 unit would be eligible for individual mortgage insurance

1 under subsection (c) and will faithfully and diligently
2 make and carry out all reasonable efforts to establish
3 such plan of family unit ownership and to sell such
4 family units to purchasers approved by the Commis-
5 sioner; and

6 “(2) shall be regulated or restricted by the Commis-
7 sioner as to rents, charges, capital structure, rate of re-
8 turn, and methods of operation until the termination of
9 all obligations of the Commissioner under the insurance
10 and during such further period of time as the Commis-
11 sioner shall be the owner, holder, or reinsurer of the
12 mortgage. The Commissioner may make such contracts
13 with and acquire for not to exceed \$100 such stock or
14 interest in such mortgagor as he may deem necessary
15 to render effective the regulation and restriction of such
16 mortgagor. The stock or interest acquired by the Com-
17 missioner shall be paid for out of the Apartment Unit
18 Insurance Fund, and shall be redeemed by the mortgagor
19 at par at any time upon the request of the Commissioner
20 after the termination of all obligations of the Commis-
21 sioner under the insurance.

22 “(e) To be eligible for insurance, a blanket mortgage
23 on any multifamily project of a mortgagor of the character
24 described in subsection (d) shall involve a principal obliga-
25 tion in an amount—

1 “(1) not to exceed \$20,000,000, or not to exceed
2 \$25,000,000 if the mortgage is executed by a mortgagor
3 regulated or supervised, under Federal or State law or
4 by a political subdivision of a State or an agency thereof,
5 as to rents, charges, and methods of operation;

6 “(2) not to exceed 90 per centum of the amount
7 which the Commissioner estimates will be the replace-
8 ment cost of the project when the proposed physical
9 improvements are completed;

10 “(3) not to exceed, for such part of the project as
11 may be attributable to dwelling use (excluding exterior
12 land improvements as defined by the Commissioner),
13 \$9,000 per family unit without a bedroom, \$12,500 per
14 family unit with one bedroom, \$15,000 per family unit
15 with two bedrooms, and \$18,500 per family unit with
16 three or more bedrooms; except that as to projects to
17 consist of elevator-type structures the Commissioner
18 may, in his discretion, increase the dollar amount limita-
19 tions per family unit to not to exceed \$10,500 per family
20 unit without a bedroom, \$15,000 per family unit with
21 one bedroom, \$18,000 per family unit with two bed-
22 rooms, and \$22,500 per family unit with three or more
23 bedrooms, as the case may be, to compensate for the
24 higher costs incident to the construction of elevator-type
25 structures of sound standards of construction and design;

1 and except that the Commissioner may, by regulation,
2 increase any of the foregoing dollar amount limitations
3 contained in this paragraph by not to exceed 30 per
4 centum in any geographical area where he finds that
5 cost levels so require; and

6 “(4) not to exceed an amount equal to the sum
7 of the unit mortgage amounts determined under the
8 provisions of subsection (c) assuming the mortgagor
9 to be the owner and occupant of each family unit.

10 “(f) Any blanket mortgage insured under subsection
11 (d) shall provide for complete amortization by periodic
12 payments within such term as the Commissioner may
13 prescribe but not to exceed forty years from the begin-
14 ning of amortization of the mortgage, and shall bear interest
15 (exclusive of premium charges for insurance) at not to
16 exceed $5\frac{1}{4}$ per centum per annum on the amount of the
17 principal obligation outstanding at any time. The Com-
18 missioner may consent to the release of a part or parts of the
19 mortgaged property from the lien of the blanket mortgage
20 upon such terms and conditions as he may prescribe and the
21 blanket mortgage may provide for such release. The
22 project covered by the blanket mortgage may include five
23 or more family units and such commercial and community
24 facilities as the Commissioner deems adequate to serve the
25 occupants.”;

1 (8) by striking out "this section" each time it ap-
2 pears in the subsection redesignated as subsection (g)
3 by paragraph (7) of this subsection and inserting in
4 lieu thereof "subsection (c) of this section";

5 (9) by inserting after the subsection redesignated
6 as subsection (g) by paragraph (7) of this subsection
7 the following new subsection:

8 “(h) The provisions of subsections (d), (e), (g), (h),
9 (i), (j), (k), (l), (m), (n), and (p) of section 207 shall
10 be applicable to mortgages insured under subsection (d) of
11 this section, except that all references to the Housing Insur-
12 ance Fund, or Housing Fund, shall be construed to refer to
13 the Apartment Unit Insurance Fund.”; and

14 (10) by amending the subsection redesignated as
15 subsection (j) by paragraph (7) of this subsection to
16 read as follows:

17 “(j) The provisions of sections 225 and 230 shall be
18 applicable to the mortgages insured under subsection (c) of
19 this section.”

20 (b) Section 212 (a) of such Act is amended by adding
21 at the end thereof the following new sentence: “The provi-
22 sions of this section shall also apply to the insurance of any
23 mortgage under section 234 (d).”

24 (c) Section 227 (a) of such Act is amended by striking

1 out “or (vii)” and inserting in lieu thereof “(vii)”, and by
2 inserting before the semicolon at the end thereof “, or (viii)
3 under section 234 (d)”.

4 PREPAYMENT OF MORTGAGES BY NONPROFIT EDUCATIONAL
5 INSTITUTIONS

6 SEC. 118. Title V of the National Housing Act is
7 amended by adding at the end thereof the following new
8 section:

9 “PREPAYMENT OF MORTGAGES BY NONPROFIT
10 EDUCATIONAL INSTITUTIONS

11 “SEC. 517. (a) Notwithstanding any other provision
12 of this Act, no adjusted premium charge shall be collected
13 in connection with the payment in full, prior to maturity,
14 of any mortgage insured under this Act, if the mortgagor
15 certifies to the Commissioner that the loan was paid in full
16 by or on behalf of a nonprofit educational institution which
17 intends to use the property for educational purposes.

18 “(b) The Commissioner shall refund any adjusted
19 premium charge collected subsequent to July 1, 1962, and
20 prior to the date of the enactment of the Housing Act of
21 1964, in connection with the payment in full, prior to ma-
22 turity, of any mortgage insured under this Act, if the mort-
23 gator under such mortgage makes the certification pre-
24 scribed by subsection (a).”

1 INCREASE IN NUMBER OF UNITS INSURABLE UNDER

2 SECTION 810 PROGRAM

3 SEC. 119. Section 810 (i) of the National Housing Act
4 is amended by striking out "five thousand dwelling units"
5 and inserting in lieu thereof "ten thousand dwelling units".

6 TITLE II—HOUSING FOR THE ELDERLY AND
7 HANDICAPPED

8 HOUSING FOR THE ELDERLY—LOAN PROGRAM

9 SEC. 201. Section 202 (a) (4) of the Housing Act
10 of 1959 is amended by striking out "\$275,000,000" and
11 inserting in lieu thereof "\$350,000,000".

12 FHA SECTION 221 HOUSING FOR LOW- OR MODERATE-
13 INCOME ELDERLY PERSONS

14 SEC. 202. Section 221 (f) of the National Housing Act
15 is amended by adding at the end thereof the following new
16 sentence: "Any person sixty-two years of age or over shall
17 be deemed to be a family within the meaning of the terms
18 'family' and 'families' as those terms are used in this section."

19 HOUSING FOR THE HANDICAPPED

20 SEC. 203. (a) (1) The heading of title II of the Hous-
21 ing Act of 1959 is amended by striking out "HOUSING
22 FOR THE ELDERLY" and inserting in lieu thereof
23 "HOUSING FOR THE ELDERLY OR HANDI-
24 CAPPED".

1 (2) Section 202 of such Act is amended—

2 (A) by striking out “elderly families and elderly
3 persons” wherever it appears in subsections (a) (1),
4 (a) (2), and (e) and inserting in lieu thereof in each
5 instance “elderly or handicapped families”;

6 (B) by amending subsection (d) (1) to read as
7 follows:

8 “(1) The term ‘housing’ means structures suitable
9 for dwelling use by elderly or handicapped families
10 which are (A) new structures, or (B) provided by re-
11 habilitation, alteration, conversion, or improvement of
12 existing structures which are otherwise inadequate for
13 proposed dwelling use by such families.”;

14 (C) by striking out the first sentence of subsection
15 (d) (4) and inserting in lieu thereof the following:
16 “The term ‘elderly or handicapped families’ means
17 families which consist of two or more persons and the
18 head of which (or his spouse) is sixty-two years of
19 of age or over or is handicapped, and such term also
20 means a single person who is sixty-two years of age
21 or over or is handicapped. A person shall be con-
22 sidered handicapped if such person is determined, pur-
23 suant to regulations issued by the Administrator, to

1 have a physical impairment which (A) is expected to
2 be of long-continued and indefinite duration, (B) sub-
3 stantially impedes his ability to live independently,
4 and (C) is of such a nature that such ability could be
5 improved by more suitable housing conditions.”;

6 (D) by inserting before the period at the end of
7 subsection (d) (7) the following: “or rehabilitation,
8 alteration, conversion, or improvement of existing struc-
9 tures”; and

10 (E) by amending subsection (d) (8) to read as
11 follows:

12 “(8) The term ‘related facilities’ means (A) new
13 structures suitable for use by elderly or handicapped
14 families as cafeterias or dining halls, community rooms
15 or buildings, workshops, or infirmaries or other inpa-
16 tient or outpatient health facilities, or other essential
17 service facilities, and (B) structures suitable for the
18 above uses provided by rehabilitation, alteration, con-
19 version, or improvement of existing structures which are
20 otherwise inadequate for such uses.”

21 (b) The last sentence of section 221 (f) of the National
22 Housing Act (as added by section 202 of this Act) is
23 amended by striking out “person sixty-two years of age or
24 over” and inserting in lieu thereof “person who is sixty-two

1 years of age or over, or who is a handicapped person within
2 the meaning of section 202 of the Housing Act of 1959,”.

3 (c) Section 231 of such Act is amended by adding at
4 the end thereof the following new subsection:

5 “(f) Notwithstanding any of the provisions of this sec-
6 tion, the housing provided under this section may include
7 family units which are specially designed for the use and
8 occupancy of any person or family qualifying as a handi-
9 capped family as defined in section 202 of the Housing Act
10 of 1959, and such special facilities as the Commissioner deems
11 adequate to serve handicapped families (as so defined). The
12 Commissioner may also prescribe procedures to secure to such
13 families preference or priority of opportunity to rent the liv-
14 ing units specially designed for their use and occupancy.”

15 (d) The second sentence of section 2 (2) of the United
16 States Housing Act of 1937 (as amended by section
17 401 (a) of this Act) is amended by inserting after “and in-
18 cludes” the following: “a single person who is handicapped
19 within the meaning of section 202 of the Housing Act of
20 1959 or who is”.

21 (e) Section 207 of the Housing Act of 1961 (as
22 amended by section 407 of this Act) is further amended by
23 inserting before the period at the end of the first sentence
24 the following: “and of demonstrating the types of housing

1 and the means of providing housing that will assist low in-
2 come persons or families who qualify as handicapped families
3 as defined in section 202 of the Housing Act of 1959”.

4 TITLE III—URBAN RENEWAL

5 CAPITAL GRANT AUTHORIZATION

6 SEC. 301. Section 103 (b) of the Housing Act of 1949
7 is amended by striking out “not to exceed \$4,000,000,000”
8 and inserting in lieu thereof “not to exceed \$4,600,000,000”.

9 CODE ENFORCEMENT

10 SEC. 302. (a) The first sentence of section 110 (c) of
11 the Housing Act of 1949 is amended by inserting after “or
12 rehabilitation or conservation in an urban renewal area,” the
13 following: “or a program of code enforcement in an urban
14 renewal area,”.

15 (b) (1) Paragraph (5) of the second sentence of
16 section 110 (c) of such Act is amended (1) by striking out
17 “a program of” and inserting in lieu thereof “programs of
18 code enforcement or”, and (2) by adding before the semi-
19 colon at the end of such paragraph the following: “: *Provided*,
20 That no program of code enforcement shall be included as
21 part of an urban renewal project unless the locality shall
22 agree to increase its total expenditures with respect to code
23 enforcement, during the period such project is under contract
24 for a loan or capital grant, by an amount equal to the re-

1 quired local grants-in-aid with respect to the code enforce-
2 ment included as part of such project”.

3 (2) Any contract for a capital grant under title I of the
4 Housing Act of 1949 executed prior to the date of the enact-
5 ment of this Act may be amended to incorporate the provi-
6 sions of paragraph (1) for costs incurred on or after such
7 date.

8 (c) Section 101 (c) of such Act is amended by adding
9 at the end thereof the following new sentence: “Commenc-
10 ing three years from the date of the enactment of the Hous-
11 ing Act of 1964, no workable program will be certified or re-
12 certified unless the locality has had in effect for at least six
13 months prior to such certification or recertification a mini-
14 mum standards housing code, related but not limited to
15 health, sanitation, and occupancy requirements, which is
16 deemed adequate by the Administrator; and unless the Ad-
17 ministrator is satisfied that the locality is carrying out an
18 effective program of enforcement to achieve compliance
19 with such housing code.”

20 RELOCATION OF DISPLACEES FROM URBAN RENEWAL AREAS

21 SEC. 303. (a) (1) Section 105 (c) of the Housing Act
22 of 1949 is amended by striking out “families” wherever it
23 appears and inserting in lieu thereof “individuals and
24 families”.

1 (2) The requirement imposed by the amendments made
2 by paragraph (1) shall not be applicable to any project
3 receiving Federal recognition prior to the date of the enact-
4 ment of this Act.

5 (b) Section 105 (c) of such Act is further amended by
6 inserting before the period at the end thereof the following:
7 “: *Provided*, That the Administrator shall issue rules and
8 regulations to aid in implementing the requirements of this
9 subsection and in otherwise achieving the objectives of this
10 title which shall require that there be established, at the earli-
11 est practicable time, for each urban renewal project involv-
12 ing the displacement of families, individuals, or business con-
13 cerns occupying property in an urban renewal area, a reloca-
14 tion assistance program which shall include such measures,
15 facilities, and services as may be necessary or appropriate in
16 order (1) to determine the needs of such families, individu-
17 als, and business concerns for relocation assistance, (2) to pro-
18 vide information and assistance to aid in relocation and other-
19 wise minimize the hardships of displacement, and (3) to
20 assure the necessary coordination of relocation activities
21 with other project activities and other planned or proposed
22 governmental actions in the community which may affect
23 the carrying out of the relocation program”.

24 (c) Section 114 (e) of such Act (as added by section
25 306 of this Act and redesignated by section 317 of this Act)

1 is amended by adding at the end thereof the following
2 new sentence: "Such regulations shall include provisions
3 to assure that relocation payments, as authorized by this
4 section, shall be made as promptly as possible to all
5 families, individuals, business concerns, and nonprofit orga-
6 nizations found to be eligible for such payments by reason
7 of their having been displaced from property in the urban
8 renewal area, without regard to any subsequent proceedings,
9 determinations, or events relating to such property which do
10 not bear upon whether such displacement in fact occurred."

11 (d) Section 8 (b) of the Small Business Act is
12 amended—

13 (1) by striking out "and" at the end of paragraph
14 (12) ;

15 (2) by striking out the period at the end of
16 paragraph (13) and inserting in lieu thereof "; and ";
17 and

18 (3) by adding after paragraph (13) the follow-
19 ing new paragraph:

20 "(14) to provide at the earliest practicable time
21 such information and assistance as may be appropriate,
22 including information concerning eligibility for loans
23 under section 7 (b) (3), to local public agencies (as
24 defined in section 110 (h) of the Housing Act of 1949)
25 and to small-business concerns to be displaced by feder-

1 ally aided urban renewal projects in order to assist such
2 small-business concerns in reestablishing their opera-
3 tions.”

4 DISPOSAL OF LAND FOR LOW- AND MODERATE-INCOME
5 HOUSING

6 SEC. 304. Subsections (a) and (b) of section 107 of
7 the Housing Act of 1949 are amended to read as follows:

8 “(a) Upon approval of the Administrator and subject
9 to such conditions as he may determine to be in the public
10 interest, any real property held as part of an urban renewal
11 project may be made available to (1) a limited dividend
12 corporation, nonprofit corporation or association, coopera-
13 tive, or public body or agency, or (2) a purchaser who
14 would be eligible for a mortgage insured under section 221
15 (d) (4) of the National Housing Act, for purchase at fair
16 value for use by such purchaser in the provision of new or
17 rehabilitated rental or cooperative housing for occupancy
18 by families or individuals of moderate income.

19 “(b) When it appears in the public interest that real
20 property acquired as part of an urban renewal project should
21 be used in whole or in part for a low-rent housing project
22 assisted under the United States Housing Act of 1937, or
23 under a State or local program found by the Administrator
24 to have the same general purposes as the Federal program
25 under such Act, the property shall be made available to the

1 public housing agency undertaking the low-rent housing
2 project at a price equal to its fair value, as determined in
3 accordance with subsection (a), and such amount shall be
4 included as part of the development cost of such low-rent
5 housing project: *Provided*, That the local contribution in the
6 form of tax exemption or tax remission required by section
7 10 (h) of such Act, or by analogous provisions in legislation
8 authorizing such State or local program, with respect to the
9 low-rent housing project into which such property was incor-
10 porated on or after September 23, 1959, shall (if covered by
11 a contract which, in the determination of the Public Housing
12 Commissioner, will assure that such local contribution
13 will be made during the entire period that the project
14 is used as low-rent housing within the meaning of such
15 Act, or by provisions found by the Administrator to
16 give equivalent assurance in the case of State or local pro-
17 grams) be accepted as a local grant-in-aid equal in amount,
18 as determined by the Administrator, to one-half (or one-
19 third in the case of an urban renewal project on a three-
20 fourths capital grant basis) of the difference between the cost
21 of such property (including costs of land, clearance, site
22 improvements, and a share, prorated on an area basis, of
23 administrative, interest, and other project costs) and its sales
24 price, and shall be considered a local grant-in-aid furnished

1 in a form other than cash within the meaning of section
2 110 (d) of this Act.”

3 REHABILITATION OF PROPERTY IN URBAN RENEWAL AREAS

4 SEC. 305. Section 110 (c) of the Housing Act of 1949
5 is amended by adding immediately after and below paragraph
6 (7) the following new paragraph:

7 “Notwithstanding any other provision of this title, no
8 contract shall be entered into for any loan or capital grant
9 under this title for any project which provides for demolition
10 and removal of buildings and improvements unless the Ad-
11 ministrator determines that the objectives of the urban re-
12 newal plan could not be achieved through rehabilitation of
13 the project area.”

14 RELOCATION PAYMENTS TO DISPLACED PERSONS AND
15 BUSINESSES

16 SEC. 306. (a) Title I of the Housing Act of 1949 is
17 amended by adding at the end thereof the following new
18 section:

19 “RELOCATION

20 “SEC. 114. (a) Notwithstanding any other provision
21 of this title, an urban renewal project may include the mak-
22 ing of payments as prescribed in this section to displaced
23 individuals, families, business concerns, and nonprofit orga-
24 nizations; and any contract for financial assistance under
25 this title shall provide that the capital grant otherwise pay-

1 able for the project shall be increased by an amount equal to
2 such payments and that no part of the amount of such pay-
3 ments shall be required to be contributed as part of the local
4 grant-in-aid. As used in this section, 'displaced' refers to
5 displacement from an urban renewal area made necessary by
6 (1) the acquisition of real property by a local public agency
7 or by any other public body, (2) code enforcement activities
8 undertaken in connection with an urban renewal project, or
9 (3) a program of voluntary rehabilitation of buildings or
10 other improvements in accordance with an urban renewal
11 plan.

12 " (b) A local public agency may pay to any displaced
13 business concern or nonprofit organization—

14 " (1) its reasonable and necessary moving expenses
15 and any actual direct losses of property except goodwill
16 or profit (which are incurred on and after August 7,
17 1956, and for which reimbursement or compensation
18 is not otherwise made) : *Provided*, That such payment
19 shall not exceed \$3,000 (or, if greater, the total certi-
20 fied actual moving expenses) ; and

21 " (2) an additional \$1,000 in the case of a private
22 business concern with average annual net earnings of
23 less than \$10,000 per year which (A) was doing busi-
24 ness in a location in the urban renewal area on the date
25 of local approval of the urban renewal plan (or of ac-

1 quisition of the real property under the third sentence of
2 section 102 (a)), (B) is displaced on or after January
3 27, 1964, and (C) is not part of an enterprise having
4 establishments outside the urban renewal area.

5 “(c) (1) A local public agency may pay to any dis-
6 placed individual or family his or its reasonable and neces-
7 sary moving expenses and any actual direct losses of prop-
8 erty (which are incurred on and after August 7, 1956, and
9 for which reimbursement or compensation is not otherwise
10 made): *Provided*, That such payment shall not exceed
11 \$200: *And provided further*, That the Administrator may
12 authorize payment to individuals and families of fixed
13 amounts (not to exceed \$200 in any case) in lieu of their
14 respective reasonable and necessary moving expenses and
15 actual direct losses of property.

16 “(2) A local public agency may pay (in addition to
17 any amount under paragraph (1)), to or on behalf of any
18 displaced individual or family, the monthly rental (or mort-
19 gage payment) required for the dwelling accommodations
20 in which such individual or family is relocated during the
21 first three months (after displacement) for which such
22 rental (or payment) is due; except that no amount in ex-
23 cess of \$200 shall be paid under this paragraph to or on be-
24 half of any displaced individual or family, and payments

1 under this paragraph shall be available only in the case of
2 individuals and families displaced on or after January 27,
3 1964.

4 “(d) The Administrator is authorized to establish such
5 rules and regulations as he may deem appropriate in carry-
6 ing out the provisions of this section.”

7 (b) Any contract with a local public agency which was
8 executed under title I of the Housing Act of 1949 before
9 the date of the enactment of this Act may be amended to
10 provide for payments authorized by section 114 of the Hous-
11 ing Act of 1949.

12 (c) Section 106 of the Housing Act of 1949 is amended
13 by striking out subsection (f).

14 INCENTIVES FOR LOCAL REALTY TAX ABATEMENT FOR

15 SECTION 221(d)(3) PROJECTS

16 SEC. 307. Section 110(d) of the Housing Act of
17 1949 is amended by striking out “and (3)” and inserting
18 in lieu thereof the following: “(3) the amount of any abate-
19 ment of realty taxes granted by appropriate authority in
20 reduction of realty taxes which would, except for such abate-
21 ment, be payable by a project the mortgage on which is
22 insured under section 221 of the National Housing Act and
23 bears an interest rate fixed pursuant to the proviso in section
24 221(d)(5) of such Act; and (4)”.

REHABILITATION LOANS

2 SEC. 308. (a) To assist rehabilitation in an urban
3 renewal area and thereby reduce the need for demolition and
4 removal of structures, the Housing and Home Finance Ad-
5 ministrator is hereby authorized, through the utilization of
6 local public and private agencies where feasible, to make
7 loans as herein provided to the owners or tenants of property
8 in such area to finance rehabilitation required to make the
9 property conform to applicable code requirements or to
10 carry out the objectives of the urban renewal plan for the
11 area. No loan shall be made under this section unless the
12 Administrator finds (1) that the applicant is unable to secure
13 the necessary funds from other sources upon reasonable
14 terms and conditions, and (2) the loan is an acceptable risk
15 taking into consideration the need for the rehabilitation, the
16 security available for the loan, and the ability of the applicant
17 to repay the loan.

18 (b) For the purposes of this section—

(1) the term “rehabilitation” means the improvement or repair of a structure or facilities in connection with a structure, and may include the provision of such sanitary or other facilities as are required by applicable codes or the urban renewal plan to be provided by the owner or tenant of the property;

25 (2) the term “urban renewal area” means a slum

1 area or a blighted, deteriorated, or deteriorating area as
2 defined in section 110 (a) of the Housing Act of 1949;

3 (3) the term "tenant" means a person or organiza-
4 tion who is occupying a structure under a lease having
5 a period to run at the time a rehabilitation loan is made
6 under this section of not less than the term of the loan;
7 and

8 (4) the term "Administrator" means the Housing
9 and Home Finance Administrator.

10 (c) A rehabilitation loan made under this section shall
11 be subject to the following limitations:

12 (1) The loan shall be subject to such terms and condi-
13 tions as may be prescribed by the Administrator.

14 (2) The term of the loan may not exceed fifteen years
15 or three-fourths of the remaining economic life of the struc-
16 ture after rehabilitation, whichever is less.

17 (3) The loan shall bear interest at such rate as the Ad-
18 ministrator determines to be appropriate but not to exceed
19 3 per centum per annum of the amount of the principal out-
20 standing at any time, and the Administrator may prescribe
21 such other charges as he finds necessary, including service
22 charges and appraisal, inspection, and other fees.

23 (4) The amount of the loan may not exceed—

24 (A) in the case of residential property, the amount
25 of a loan which could be insured by the Federal Hous-

1 ing Commissioner under section 220 (h) of the National
2 Housing Act; and

3 (B) in the case of nonresidential property, \$50,000,
4 or the cost of rehabilitation, or an amount which when
5 added to any outstanding indebtedness related to the
6 property securing the loan creates a total outstanding
7 indebtedness that exceeds the amount of a loan which
8 the Administrator determines could be reasonably se-
9 cured by a first mortgage on the property.

10 (5) A loan shall be secured as determined by the Ad-
11 ministrator.

12 (d) There is authorized to be appropriated not to ex-
13 ceed \$50,000,000 which shall constitute a revolving fund
14 to be used by the Administrator in carrying out this section.

15 (e) In the performance of, and with respect to, the
16 functions, powers, and duties vested in him by this section,
17 the Administrator shall have (in addition to any authority
18 otherwise vested in him) the functions, powers, and duties
19 set forth in section 402 of the Housing Act of 1950 (except
20 subsection (c) (2)).

21 (f) The Administrator is authorized to delegate to or use
22 as his agent any local public or private agency or organiza-
23 tion to the extent he determines appropriate and desirable
24 to carry out the objectives of this section in the area involved.

25 (g) The Administrator is authorized to issue such rules

1 and regulations and impose such requirements and conditions
2 (in addition to those specified in this section) as he deter-
3 mines to be desirable to carry out the objectives of this sec-
4 tion, including limitations on the amount of a loan and restric-
5 tions on the use of the property involved.

6 SELF-HELP PROGRAMS FOR COMMUNITY IMPROVEMENT

7 SEC. 309. Section 101 (d) of the Housing Act of 1949
8 is amended by inserting immediately after "local urban re-
9 newal programs" the following: "(including rehabilitation
10 projects requiring no additional assistance under this title or
11 self-liquidating redevelopment projects)".

12 URBAN RENEWAL DEMONSTRATION PROGRAM

13 SEC. 310. Section 314 of the Housing Act of 1954 is
14 amended—

15 (1) by inserting "(a)" after "314." at the begin-
16 ning of the section;

17 (2) by inserting before the period at the end of the
18 second sentence the following: ", but such a grant may
19 in addition cover the full cost of writing and publishing
20 the reports on such activities and undertakings";

21 (3) by inserting "activities and" before "under-
22 takings" in the third sentence;

23 (4) by striking out the fourth and fifth sentences;

24 and

1 (5) by adding at the end thereof the following new
2 subsections:

3 “(b) The Administrator is further authorized to pay for
4 the cost of (1) writing and publishing reports on activities
5 and undertakings financed by grants made under this sec-
6 tion, as well as reports on similar activities and undertakings,
7 not so financed, which are of significant value in furthering
8 the purposes of this section, and (2) writing and publishing
9 summaries and other informational material on such reports.

10 “(c) The aggregate amount of grants made under sub-
11 section (a), and other costs incurred pursuant to subsection
12 (b), shall not exceed \$10,000,000 and shall be payable from
13 the grant funds provided under and authorized by section 103
14 (b) of the Housing Act of 1949. The Administrator may
15 make advance or progress payments on account of any con-
16 tract entered into pursuant to this section, notwithstanding
17 the provisions of section 3648 of the Revised Statutes, as
18 amended.”

19 URBAN AND REGIONAL PLANNING GRANTS

20 SEC. 311. (a) Section 701 (a) of the Housing Act of
21 1954 is amended by striking out “resulting from rapid
22 urbanization” in clause (B) of paragraph (1).

23 (b) Section 701 (a) of such Act is amended—

24 (1) by striking out the period at the end of para-
25 graph (5) and inserting in lieu thereof a semicolon; and

(2) by adding after paragraph (5) the following new paragraph:

“(6) metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1) ; and”.

PLANNING GRANT AUTHORIZATION

SEC. 312. Section 701 (b) of the Housing Act of 1954 is amended by striking out “\$75,000,000” in the last sentence and inserting in lieu thereof “\$105,000,000”.

PLANNING GRANTS FOR INDIAN RESERVATIONS

SEC. 313. (a) Section 701 (a) of the Housing Act of 1954 is amended—

(1) by striking out “and” at the end of clause (B) of paragraph (1) ;

(2) by inserting “, and (D) Indian reservations” before the semicolon at the end of paragraph (1) ; and

(3) by adding after paragraph (6) (as added by section 311 (b) of this Act) the following new paragraph:

“(7) tribal planning councils or other tribal bodies

1 designated by the Secretary of the Interior for planning
2 for an Indian reservation to which no State planning
3 agency or other agency or instrumentality is empowered
4 to provide planning assistance under clause (D) of
5 paragraph (1).”

6 (b) Section 701 (d) of such Act is amended—

7 (1) by striking out “and urban regions” in the first
8 sentence and inserting in lieu thereof “urban regions,
9 and Indian reservations”; and

10 (2) by inserting the following after “instrumentali-
11 ties” in the second sentence: “, and Indian tribal
12 bodies,”.

13 ELIGIBILITY OF COUNTIES FOR PLANNING ASSISTANCE

14 SEC. 314. Section 701 (a) of the Housing Act of 1954
15 is amended by striking out clause (A) of paragraph (1)
16 and inserting in lieu thereof the following: “(A) cities and
17 other municipalities having a population of less than
18 50,000 according to the latest decennial census, and
19 counties without regard to population: *Provided*, That grants
20 shall be made under this paragraph for planning assistance
21 to counties having a population of 50,000 or more,
22 according to the latest decennial census, which are within
23 metropolitan areas, only if (i) the Administrator finds that
24 planning and plans for such county will be coordinated
25 with the program of comprehensive planning, if any, which

1 is being carried out for the metropolitan area of which the
2 county is a part, and (ii) the aggregate amount of the
3 grants made subject to this proviso does not exceed
4 15 per centum of the aggregate amount appropriated, after
5 the date of enactment of the Housing Act of 1964, for the
6 purposes of this section.”.

7 PLANNING PROBLEMS RESULTING FROM TREATIES OR OTHER
8 INTERNATIONAL AGREEMENTS

9 SEC. 315. Section 701 (a) (4) of the Housing Act of
10 1954 is amended to read as follows:

11 “(4) official governmental planning agencies for
12 areas where (A) urban planning problems have resulted
13 or are expected to result from the implementation of a
14 Federal treaty or other international agreement or
15 understanding, or (B) rapid urbanization has resulted
16 or is expected to result from the establishment or rapid
17 and substantial expansion of a Federal installation;”.

18 SMALL BUSINESS ADMINISTRATION LOANS

19 SEC. 316. Section 7 (b) (3) of the Small Business Act
20 is amended by inserting before the period at the end thereof
21 the following: “; and the purposes of a loan made pursuant
22 to this paragraph may, in the discretion of the Administra-
23 tion, include the purchase or construction of other premises
24 whether or not the borrower owned the premises from which
25 it was displaced”.

1 RELOCATION PAYMENTS IN CASES OF PROPERTY AFFECTED
2 BY COAL MINE SUBSIDENCE OR UNDERGROUND MINE
3 FIRES

4 SEC. 317. (a) Section 114 of the Housing Act of 1949
5 (as added by section 306 of this Act) is amended by re-
6 designating subsection (d) as subsection (e), and by in-
7 serting after subsection (c) the following new subsection:

8 “(d) In any case in which property owned by an
9 individual, family, business concern, or nonprofit organiza-
10 tion has been rendered partially or wholly unusable on
11 account of the subsidence or collapse of underlying coal
12 mines, or because of an underground mine fire or fires, relo-
13 cation payments under this section may include (in addition
14 to any amounts payable under subsection (b) or (c)) an
15 amount equal to the difference between (1) the actual
16 market value which such property would have if the dimi-
17 nution in its value occasioned by such subsidence or collapse
18 or fire were ignored, and (2) the price paid for the acqui-
19 sition of such property by the local public agency.”

20 (b) The first sentence of section 114(a) of such Act
21 (as so added) is amended by striking out “organizations”
22 and all that follows and inserting in lieu thereof the follow-
23 ing: “organizations. Any contract for financial assistance
24 under this title shall provide that no part of the amount of
25 such payments (except such payments made pursuant to

1 subsection (d)) shall be required to be contributed as a
 2 local grant-in-aid, and that the capital grant otherwise pay-
 3 able for the project shall be increased by an amount equal to
 4 (1) any of such payments made pursuant to subsection (b)
 5 or (c), plus (2) any of such payments made pursuant to
 6 subsection (d), reduced by the amount of the local grants-in-
 7 aid applicable to such payments.”

8 (c) Any contract with a local public agency which
 9 was executed under title I of the Housing Act of 1949 be-
 10 fore the date of the enactment of this Act may be amended to
 11 provide for payments authorized by the amendments made
 12 by this section so long as the project involved has not yet
 13 been completed on such date.

14 (d) Section 15 (8) of the United States Housing Act
 15 of 1937 (as added by section 406 of this Act) is amended
 16 by striking out “section 114 (b) or (c)” and inserting in
 17 lieu thereof “section 114 (b), (c), or (d)”.

18 TITLE IV—HOUSING FOR LOW-INCOME 19 FAMILIES

20 ELIGIBILITY OF DISPLACED INDIVIDUALS FOR LOW-RENT

21 PUBLIC HOUSING

22 SEC. 401. (a) Section 2 (2) of the United States Hous-
 23 ing Act of 1937 is amended to read as follows:

24 “(2) The term ‘families of low income’ means families
 25 (including elderly and displaced families) who are in the

1 lowest income group and who cannot afford to pay enough
2 to cause private enterprise in their locality or metropolitan
3 area to build an adequate supply of decent, safe, and sanitary
4 dwellings for their use. The term 'families' includes families
5 consisting of a single person in the case of elderly families
6 and displaced families, and includes the remaining member
7 of a tenant family. The term 'elderly families' means fami-
8 lies whose heads (or their spouses), or whose sole members,
9 have attained the age at which an individual may elect to
10 receive an old-age insurance benefit under title II of the So-
11 cial Security Act or are under a disability as defined
12 in section 223 of that Act. The term 'displaced families'
13 means families displaced by urban renewal or other govern-
14 mental action."

15 (b) Section 10 (g) (2) of such Act is amended by
16 striking out "those displaced by urban renewal or other gov-
17 ernmental action" and inserting in lieu thereof "displaced
18 families".

19 (c) Section 15 (7) (b) of such Act is amended by
20 striking out "family displaced by urban renewal or other
21 governmental action" in clause (ii) and inserting in lieu
22 thereof "displaced family".

1 ADDITIONAL SUBSIDY FOR URBAN RENEWAL AND LOW-
2 RENT HOUSING DISPLACED

3 SEC. 402. Section 10 (a) of the United States Housing
4 Act of 1937 is amended by inserting before the period at the
5 end of the third sentence the following: “: *Provided further,*
6 That such an additional payment may also be made, on the
7 same terms and conditions and subject to the same limitations,
8 with respect to a unit occupied on the last day of the project
9 fiscal year by a displaced family if such family was displaced
10 by an urban renewal or low-rent housing project on or after
11 January 27, 1964, and if and to the extent that the rental of
12 such unit was less than the rental which, in the determina-
13 tion of the Authority based on average or estimated average
14 project rentals, would have been established in leasing the
15 unit to another family which was neither an elderly family
16 nor similarly displaced”.

17 INCREASE IN AUTHORIZATION FOR ANNUAL
18 CONTRIBUTIONS

SEC. 403. Section 10 (e) of the United States Housing
Act of 1937 is amended by inserting immediately after “per
annum,” the following: “which limit shall be increased by

1 \$27,000,000 on the date of the enactment of the Housing
2 Act of 1964.”.

3 PAYMENTS IN LIEU OF TAXES BY LOCAL HOUSING

4 AUTHORITIES; LOCAL CONTRIBUTIONS

5 SEC. 404. Section 10 (h) of the United States Hous-
6 ing Act of 1937 is amended by striking out all that follows
7 the first colon and inserting in lieu thereof the following:
8 “*Provided*, That, with respect to any such project which is
9 not exempt from all real and personal property taxes levied
10 or imposed by the State, city, county, or other political sub-
11 divisions, such contract shall provide, in lieu of the require-
12 ment for tax exemption and payments in lieu of taxes, that
13 no annual contributions by the Authority shall be made avail-
14 able for such project unless and until the State, city, county,
15 or other political subdivisions in which such project is situ-
16 ated shall contribute, in the form of cash or tax remission, the
17 amount by which the taxes paid with respect to the project
18 exceed 10 per centum of the annual shelter rents charged in
19 such project: *Provided further*, That, prior to execution
20 of the contract for annual contributions the public housing
21 agency shall, in the case of a tax-exempt project, notify the
22 governing body of the locality of its estimate of the annual
23 amount of such payments in lieu of taxes and of the amount
24 of taxes which would be levied if the property were privately

1 owned, or, in the case where the project is taxed, its esti-
2 mate of the annual amount of the local cash contribution, and
3 shall thereafter include the actual amounts of such payments
4 or contributions in its annual report. Contracts for annual
5 contributions entered into prior to the effective date of the
6 Housing Act of 1964 may be amended in accordance with the
7 first sentence of this subsection.”

8 RELOCATION OF FAMILIES AND INDIVIDUALS DISPLACED
9 FROM PROJECT SITES

10 SEC. 405. (a) Section 15 (7) (b) of the United States
11 Housing Act of 1937 is amended by striking out “and”
12 before “(ii)”, and by inserting before the period at the
13 end thereof the following: “; and (iii) unless the public
14 housing agency has demonstrated to the satisfaction of the
15 Authority that there is a feasible method for the temporary
16 relocation of the displaced families from the project site, and
17 that there are or are being provided, in the project area or
18 in other areas not generally less desirable in regard to public
19 utilities and public and commercial facilities and at rents or
20 prices within the financial means of such displaced families,
21 decent, safe, and sanitary dwellings equal in number to the
22 number of and available to such displaced families and rea-
23 sonably accessible to their places of employment”.

24 (b) The amendments made by subsection (a) shall not

1 be applicable to any project for which an application for pre-
2 liminary loan has been approved by the local governing
3 body prior to the date of the enactment of this Act.

4 RELOCATION PAYMENTS

5 SEC. 406. Section 15 of the United States Housing Act
6 of 1937 is amended by adding at the end thereof the fol-
7 lowing new paragraph:

8 “(8) The Authority may authorize the cost of reloca-
9 tion payments made by public housing agencies to be in-
10 cluded with the development or acquisition cost of any
11 project for purposes of determining the amount of loans
12 and annual contributions authorized to be made with respect
13 to such project under sections 9 and 10, but such costs
14 shall be separately stated as relocation costs and shall be
15 excluded from any amounts on which the computation of
16 annual contributions is based for purposes of determin-
17 ing the amount of local contributions required with
18 respect to such project under section 10 (h). For purposes
19 of this paragraph, a ‘relocation payment’ is a payment (i)
20 which is made to an individual, family, business concern, or
21 nonprofit organization displaced on or after January 27,
22 1964, from a low-rent housing project site as a result of
23 the acquisition of real property by a public housing agency,
24 (ii) which is not otherwise authorized under any Federal
25 law, and (iii) which is made only on such terms and con-

1 ditions, and subject to such limitations, as are authorized
2 (as of the time such payment is approved) under section
3 114 (b) or (c) of the Housing Act of 1949 for relocation
4 payments made to individuals, families, business concerns, or
5 nonprofit organizations, as the case may be.”

6 LOW-INCOME HOUSING DEMONSTRATION PROGRAM

7 AUTHORIZATION

8 SEC. 407. Section 207 of the Housing Act of 1961 is
9 amended by striking out “\$5,000,000” and inserting in lieu
10 thereof “\$10,000,000”.

11 TITLE V—RURAL HOUSING

12 EXTENSION OF SENIOR CITIZENS RENTAL HOUSING

13 INSURANCE PROGRAM

14 SEC. 501. Section 515 (b) (5) of the Housing Act of
15 1949 is amended by striking out “September 30, 1964” and
16 inserting in lieu thereof “September 30, 1965”.

17 RURAL HOUSING DIRECT LOAN PROGRAM

18 SEC. 502. (a) Section 511 of the Housing Act of 1949
19 is amended by striking out “\$700,000,000” and inserting in
20 lieu thereof “\$850,000,000”.

21 (b) Section 502 (a) of such Act is amended by insert-
22 ing after “a loan may be made by the Secretary to said
23 applicant” the following: “, in a principal amount not
24 exceeding \$15,000,”.

1 DEFINITION OF DOMESTIC FARM LABOR

2 SEC. 503. Section 514 (f) (3) of the Housing Act of
3 1949 is amended to read as follows:

4 “(3) the term ‘domestic farm labor’ means persons
5 who receive a substantial portion (as determined by the
6 Secretary) of their income as laborers on farms situated
7 in the United States and either (A) are citizens of the
8 United States or (B) reside in the United States after
9 being legally admitted for permanent residence therein.”

10 TITLE VI—FEDERAL-STATE TRAINING
11 PROGRAMS

12 FINDINGS AND PURPOSE

13 SEC. 601. (a) The Congress finds that the rapid expan-
14 sion of the Nation’s urban areas and urban population has
15 caused severe problems in urban and suburban development
16 and created a national need to (1) provide special training
17 in skills needed for economic and efficient community devel-
18 opment and (2) support research in new or improved meth-
19 ods of dealing with community development problems.

20 (b) It is the purpose of this title to assist and encourage
21 the States, in cooperation with public or private universities
22 and colleges and urban centers, to (1) organize, initiate,
23 develop, and expand programs which will provide special
24 training in skills needed for economic and efficient commu-

1 nity development to those technical and professional people
2 who are, or are likely to be, employed by a governmental or
3 public body which has responsibilities for community devel-
4 opment; and (2) support State and local research that is
5 needed in connection with housing programs and needs,
6 public improvement programing, code problems, efficient
7 land use, urban transportation, and similar community
8 development problems.

9 MATCHING GRANTS TO STATES

10 SEC. 602. (a) Subject to the provisions of this title and
11 in accordance with regulations prescribed by him, the Ad-
12 ministrator may make matching grants to States to assist
13 in—

14 (1) organizing, initiating, developing, or expand-
15 ing programs to provide special training in skills needed
16 for economic and efficient community development to
17 those technical and professional people who are, or are
18 likely to be, employed by a governmental or public
19 body which has responsibilities for community develop-
20 ment; and

21 (2) supporting State and local research that is
22 needed in connection with housing programs and needs,
23 public improvement programing, code problems, effi-
24 cient land use, urban transportation, and similar com-

1 munity development problems, and collecting, collat-
2 ing, and publishing statistics and information relating
3 to such research.

4 (b) No grants may be made to a State under this title
5 unless the Administrator has approved a plan for the State
6 which—

7 (1) sets forth the proposed use of the funds and
8 the objectives to be accomplished;

9 (2) explains the method by which the required
10 amounts from non-Federal sources will be obtained;

11 (3) provides such fiscal control and fund account-
12 ing procedures as may be reasonably necessary to assure
13 proper disbursement of, and accounting for, Federal
14 funds paid to the State under this title;

15 (4) designates an officer or agency of the State
16 government who has responsibility and authority for
17 the administration of a statewide research and training
18 program as the officer or agency with responsibility and
19 authority for the execution of the State program under
20 this title; and

21 (5) provides that such officer or agency will make
22 such reports to the Administrator, in such form, and
23 containing such information, as may be reasonably neces-
24 sary to enable the Administrator to perform his duties
25 under this title.

1 (c) No grant may be made under this title for any use
2 unless an amount at least equal to such grant is made avail-
3 able from non-Federal sources for the same purpose and
4 for concurrent use.

5 (d) There is authorized to be appropriated for grants
6 under this title, without fiscal year limitation, not to exceed
7 \$10,000,000.

8 STATE LIMIT

9 SEC. 603. Not more than 10 per centum of the total
10 amount authorized to be appropriated by section 602 (d)
11 may be used for making grants to any one State.

12 TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF
13 INFORMATION

14 SEC. 604. In order to carry out the purpose of this title,
15 the Administrator is authorized to provide technical assist-
16 ance to State and local governmental or public bodies and to
17 undertake such studies and publish and distribute such infor-
18 mation, either directly or by contract, as he shall determine
19 to be desirable. Nothing contained in this title shall limit
20 any authority of the Administrator under any other provision
21 of law.

22 MISCELLANEOUS

23 SEC. 605. (a) As used in this title, the term "State"
24 means any State of the United States, the District of Colum-
25 bia, the Commonwealth of Puerto Rico, and the Virgin

1 Islands; and the term "Administrator" means the Housing
2 and Home Finance Administrator.

3 (b) There are authorized to be appropriated such sums
4 as may be necessary for administrative and other expenses
5 in carrying out this title.

6 TITLE VII—COMMUNITY FACILITIES

7 PUBLIC FACILITY LOANS

8 SEC. 701. (a) Section 202 (a) of the Housing Amend-
9 ments of 1955 is amended by striking out "instrumentalities
10 of States" in clause (1) of the first sentence and inserting
11 in lieu thereof "instrumentalities of one or more States", and
12 by striking out "in the same State" in such clause and insert-
13 ing in lieu thereof "of one or more States".

14 (b) Section 202 (b) (4) of such Amendments is
15 amended by inserting "(A)" before "to any municipality"
16 in the first sentence, and by striking out everything in such
17 sentence after "most recent decennial census, or" and
18 inserting in lieu thereof the following: "(B) to any public
19 agency or instrumentality serving one or more municipalities,
20 political subdivisions, or unincorporated areas in one or more
21 States, unless each municipality, political subdivision, and un-
22 incorporated area to be served by the specific public work or
23 facility for which assistance is sought under this section has
24 a population less than the applicable figure under clause (A)
25 according to such census."

ADVANCES FOR PUBLIC WORKS PLANNING

SEC. 702. (a) Section 702 (e) of the Housing Act of 1954 is amended to read as follows:

“(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances (and claims in connection with advances) outstanding as of such date, under title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-2). There are authorized to be appropriated to such revolving fund, in addition to amounts authorized to be appropriated for the purposes of this section prior to the date of the enactment of the Housing Act of 1964, such sums, not to exceed \$20,000,000, as may be necessary to carry out the purposes of this section.”

(b) Section 702 of such Act is further amended by adding at the end thereof the following new subsection:

“(h) (1) Notwithstanding any other provision of law, if a public agency or Indian tribe undertakes to construct only a portion of a public work planned with an advance

1 under this section, under title V of the War Mobilization and
2 Reconversion Act of 1944, or under the Act of October
3 13, 1949, it shall repay only such proportionate amount of
4 the advance relating to the public work as the Administrator
5 determines to be equitable.

6 “(2) The Administrator is authorized to terminate,
7 upon such terms and conditions as he shall deem equitable,
8 all or a portion of the liability for repayment of any ad-
9 vance made under this section, title V of the War
10 Mobilization and Reconversion Act of 1944, or the Act of
11 October 13, 1949. Whenever the Administrator determines
12 that there is no reasonable likelihood that the public work,
13 or a portion of the public work, planned with such advance
14 will be constructed, he may terminate the agreement for the
15 advance. Such determination shall be conclusive and shall
16 be based on standards prescribed by regulations to be issued
17 by the Administrator.”

18 (c) Section 702 of such Act is further amended—

19 (1) by striking out “public agencies” wherever
20 that term appears in subsection (a) and inserting in
21 lieu thereof “public agencies and Indian tribes”;

22 (2) by striking out “public agency” in clause (3)
23 of subsection (b) and inserting in lieu thereof “public
24 agency or Indian tribe”;

25 (3) by striking out “to any public agency” and

1 “by the public agency” in subsection (c) and inserting
2 in lieu thereof “to any public agency or Indian tribe”
3 and “by the public agency or Indian tribe”, respec-
4 tively, and by striking out “by such agency” in such
5 subsection and inserting in lieu thereof “by such agency
6 or tribe”; and

7 (4) by striking out “That if” and all that follows
8 down through “*And provided further,*” in subsection
9 (c).

10 (d) Section 702 (f) of such Act is amended by striking
11 out “\$50,000” and inserting in lieu thereof “\$100,000”.

12 (e) Section 702 (a) of such Act is amended by insert-
13 ing immediately before the first colon the following: “, in-
14 cluding, in the case of public works to be constructed in
15 connection with the development of a medical center, a
16 general plan for the development of such center”.

17 (f) Section 702 (b) of such Act is amended by striking
18 out the last sentence.

19 TITLE VIII—SAVINGS AND LOAN ASSOCIATIONS

20 SEC. 801. (a) The first sentence of section 5 (c) of the
21 Home Owners’ Loan Act of 1933 is amended by striking
22 out “fifty miles” and inserting in lieu thereof “one hundred
23 miles”.

24 (b) The third sentence of section 403 (b) of the Na-
25 tional Housing Act is amended by striking out all that pre-

1 cedes the first semicolon and inserting in lieu thereof the
2 following: "Each applicant for such insurance shall also file
3 with its application an agreement that during the period
4 that the insurance is in force it will not make any loans be-
5 yond one hundred miles from its principal office, except (1)
6 loans in the area beyond such one-hundred-mile limit in
7 which it was operating prior to June 27, 1934, and (2)
8 loans which are made pursuant to regulations of the Cor-
9 poration: *Provided*, That such agreement shall further pro-
10 vide that any loan made beyond fifty miles from the appli-
11 cant's principal office (and outside the territory in which it
12 was operating on such date) shall also be subject to such
13 regulations".

14 SEC. 802. The first proviso in section 5 (c) of the Home
15 Owners' Loan Act of 1933 is amended—

16 (1) by striking out "\$35,000" and inserting in
17 lieu thereof "\$40,000"; and

18 (2) by striking out " , except that the aggregate
19 sums invested pursuant to the two exceptions in this
20 proviso shall not exceed 30 per centum of the assets of
21 such association".

22 SEC. 803. The next to last paragraph of section 5 (c)
23 of the Home Owners' Loan Act of 1933 is amended to read
24 as follows:

1 “Without regard to any other provision of this subsec-
2 tion, any such association is authorized to invest not more
3 than 5 per centum of its assets in, or in interests in, real
4 property located within urban renewal areas as defined in
5 subsection (a) of section 110 of the Housing Act of 1949
6 and obligations secured by first liens on real property so
7 located, but no investment shall be made by an association
8 under this sentence in real property or any interest therein
9 if the aggregate investment of the association under this sen-
10 tence in real property and interests therein, determined as
11 prescribed by the Board, would thereupon exceed 2 per
12 centum of the assets of the association.”

13 SEC. 804. Section 5 (c) of the Home Owners' Loan Act
14 of 1933 is amended by adding at the end thereof a new para-
15 graph as follows:

16 “For the purpose of this section the terms ‘real prop-
17 erty’ and ‘real estate’ shall include a leasehold or sublease-
18 hold estate in real property under a lease or sublease the
19 term of which does not expire, or which is renewable auto-
20 matically or at the option of the holder (or at the option of
21 the association) so as not to expire, for at least fifteen years
22 beyond the maturity of the debt, or for such shorter period
23 as the Board, by regulation, may prescribe.”

24 SEC. 805. Section 5 (c) of the Home Owners' Loan

1 Act of 1933 is further amended by adding at the end
2 thereof (after the paragraph added by section 804 of this
3 Act) the following new paragraph:

4 “Subject to rules and regulations of the Board, any such
5 association is authorized to invest in the capital stock, obli-
6 gations, or other securities of any corporation organized
7 under the laws of the State, District, Commonwealth, ter-
8 ritory, or possession in which the home office of the associa-
9 tion is located, if the entire capital stock of such corporation
10 is available for purchase only by savings and loan associa-
11 tions of that State, District, Commonwealth, territory, or
12 possession and by Federal savings and loan associations
13 having their home offices therein, but no association may
14 make any investment under this sentence if its aggregate
15 outstanding investment under this sentence, determined as
16 prescribed by the Board, would thereupon exceed 2 per
17 centum of its assets.”

18 SEC. 806. Section 10 (b) of the Federal Home Loan
19 Bank Act is amended—

20 (1) by striking out “twenty-five” in clause (1)
21 and inserting in lieu thereof “thirty”; and

22 (2) by striking out “\$35,000” in clause (2) and
23 inserting in lieu thereof “\$40,000”.

24 SEC. 807. The second proviso in the first paragraph of
25 section 5 (c) of the Home Owners’ Loan Act of 1933 is

1 amended by striking out “or in the obligations of the Fed-
2 eral National Mortgage Association” and inserting in lieu
3 thereof the following: “; or in obligations of the Federal
4 National Mortgage Association or of any other agency of
5 the United States; or in obligations of or guaranteed by, or
6 special obligations (which may be defined by the Board)
7 issued by, any one or more of the following: any State, any
8 county, municipality, or political subdivision of any State,
9 or any district, public instrumentality, or public authority of
10 any one or more of the foregoing; and as used in this proviso
11 the term ‘State’ shall include the District of Columbia, the
12 Commonwealth of Puerto Rico, and the possessions of the
13 United States”.

14 SEC. 808. The first sentence of the second paragraph of
15 section 5 (c) of the Home Owners’ Loan Act of 1933 is
16 amended to read as follows: “Without regard to any other
17 provision of this subsection except the area requirement,
18 any such association is authorized to invest a sum not in
19 excess of 20 per centum of the assets of such association in
20 loans insured under title I of the National Housing Act, in
21 home improvement loans insured under title II of the Na-
22 tional Housing Act, in unsecured loans insured or guaranteed
23 under the provisions of the Servicemen’s Readjustment Act
24 of 1944, as amended, or chapter 37 of title 38 of the United
25 States Code, and in other loans for property alteration, re-

1 pair, or improvement: *Provided*, That no such loan, unless
 2 so insured or guaranteed, shall be made in excess of \$5,000.”

3 SEC. 809. Title IV of the National Housing Act is
 4 amended by adding at the end thereof the following new
 5 section:

6 “INVESTMENT OF CERTAIN FUNDS IN ACCOUNTS OF
 7 INSURED INSTITUTIONS

8 “SEC. 409. The savings accounts and share accounts
 9 held by institutions insured by the Corporation, to the extent
 10 they are insured by the Corporation, shall be lawful invest-
 11 ments and may be accepted as security for all public funds
 12 of the United States, fiduciary and trust funds under the
 13 authority or control of the United States or any officer or
 14 officers thereof, and for the funds of all corporations orga-
 15 nized under the laws of the United States, regardless of any
 16 limitation of law upon the investment of any such funds
 17 or upon the acceptance of security for the investment or
 18 deposit of any of such funds.”

19 TITLE IX—MISCELLANEOUS

20 FNMA—REMOVAL OF \$20,000 MORTGAGE AMOUNT

21 LIMITATION

22 SEC. 901. Section 302 (b) of the National Housing
 23 Act is amended—

(1) by striking out “any mortgage” in clause (3) and inserting in lieu thereof “any mortgage under section 305”; and

(2) by striking out the proviso in clause (3).

FNMA—NINETY PER CENTUM LOANS

SEC. 902. Section 304 (a) (2) of the National Housing Act is amended by striking out “80 per centum” and inserting in lieu thereof “90 per centum”.

OPEN-SPACE PROGRAM—GRANT AUTHORIZATION

SEC. 903. Section 702 (b) of the Housing Act of 1961 is amended—

(1) by striking out “\$50,000,000” and inserting in lieu thereof “\$75,000,000”; and

(2) by adding at the end thereof the following:
“All funds so appropriated shall remain available until expended.”

COLLEGE HOUSING LOANS

SEC. 904. The second paragraph of section 404 (b) of the Housing Act of 1950 is amended by adding at the end thereof the following new sentence: “Where State law would prevent the institution (or all of the institutions) for whose students or students and faculty the housing is to be provided from cosigning the note, the Administrator shall instead re-

1 .quire the approval of the corporation and the proposed
2 project by such institution (or by any one or more of such
3 institutions).”

4 ACQUISITION OF CERTAIN HOUSING BY SECRETARY OF
5 DEFENSE

6 SEC. 905. The first sentence of section 404 (a) of the
7 Housing Amendments of 1955 is amended by inserting be-
8 fore the period at the end thereof the following: “, or (3)
9 any housing situated on or adjacent to a military installation
10 which was (A) completed prior to July 1, 1952, (B)
11 considered by the Department of Defense, prior to con-
12 struction, as being necessary to meet an existing military
13 family housing need and considered as military housing by
14 the Federal Housing Commissioner, and (C) financed with
15 mortgages insured under section 608 of the National Housing
16 Act, including adjacent property constructed primarily to
17 provide commercial facilities for the occupants of such
18 housing”.

19 FOREST HILLS PROJECT IN PADUCAH, KENTUCKY

20 SEC. 906. The Federal Housing Commissioner is
21 authorized and directed to sell to the Paducah-McCracken
22 County Development Council, Incorporated, of Paducah,
23 Kentucky, for use as a public facility (including such use by
24 the Paducah Junior College as may be deemed appropriate
25 by such Council), and for a total price of \$1,000,000, all

1 right, title, and interest of the United States in and to the
2 housing project in Paducah known as Forest Hills (a project
3 constructed under title VIII of the National Housing Act
4 as in effect prior to August 11, 1955, and subsequently
5 acquired by the Federal Housing Administration).

6 PAYMENT IN LIEU OF TAXES BY HAWAII HOUSING

7 AUTHORITY

8 SEC. 907. Notwithstanding the provisions of any other
9 law or any contract or rule of law, the Public Housing
10 Commissioner shall approve a payment in lieu of taxes to
11 be made for the fiscal year ended June 30, 1959, in the
12 amount of \$24,167.78, by the Hawaii Housing Authority to
13 the city and county of Honolulu.

14 TRANSFER OF LAND FOR URBAN RENEWAL PURPOSES BY

15 PHILADELPHIA HOUSING AUTHORITY

16 SEC. 908. (a) Notwithstanding the provisions of title
17 I of the Housing Act of 1949 and the United States Hous-
18 ing Act of 1937, the Housing and Home Finance Admin-
19 istrator and the Public Housing Commissioner are author-
20 ized and directed to consent to the transfer by the Phila-
21 delphia Housing Authority to the Philadelphia Redevelop-
22 ment Authority of all property acquired by the Housing
23 Authority for low-rent housing project numbered Pennsyl-
24 vania 2-51, on condition that (1) an amount which,
25 together with any funds of the Housing Authority available

1 for the purpose, is sufficient to pay and discharge all obliga-
2 tions incurred by the Housing Authority in connection with
3 such low-rent housing project and owing at the time of
4 transfer, will be paid by the Redevelopment Authority to
5 the Public Housing Administration to be applied in satisfac-
6 tion of the Housing Authority's obligations which it cannot
7 meet with its own funds available for the purpose, and (2)
8 the total amount so paid by the Redevelopment Authority
9 will be included in the gross project cost of its Whitman
10 urban renewal project, Pennsylvania R-35.

11 (b) The Housing and Home Finance Administrator
12 and the Public Housing Commissioner are authorized to
13 modify any contracts heretofore entered into and to take any
14 other appropriate action necessary to carry out the pro-
15 visions of subsection (a).

16 ELIGIBILITY OF CERTAIN LOCAL GRANTS-IN-AID

17 SEC. 909. Notwithstanding the date of the commence-
18 ment of construction of the Fox Point hurricane dam in
19 Providence, Rhode Island, local expenditures made in con-
20 nection with such dam shall, to the extent otherwise eligible,
21 be counted as a local grant-in-aid to the railroad relocation
22 urban renewal project (Rhode Island R-8) in accordance
23 with the provisions of title I of the Housing Act of 1949.

A BILL

To extend and amend laws relating to housing,
urban renewal, and community facilities,
and for other purposes.

By Mr. RAINS

JULY 30, 1964

Referred to the Committee on Banking and Currency

AUGUST 5, 1964

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

CONSIDERATION OF H.R. 12175

AUGUST 11, 1964.—Referred to the House Calendar and ordered to be printed

Mr. BOLLING, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 841]

The Committee on Rules, having had under consideration House Resolution 841, report the same to the House with the recommendation that the resolution do pass.

○

House Calendar No. 291

88TH CONGRESS
2D SESSION

H. RES. 841

[Report No. 1765]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 11, 1964

Mr. BOLLING, from the Committee on Rules, reported the following resolution;
which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the
4 Union for the consideration of the bill (H.R. 12175) to ex-
5 tend and amend laws relating to housing, urban renewal, and
6 community facilities, and for other purposes, and all points
7 of order against said bill are hereby waived. After general
8 debate, which shall be confined to the bill and continue not to
9 exceed two hours, to be equally divided and controlled by
10 the chairman and ranking minority member of the Com-
11 mittee on Banking and Currency, the bill shall be read for
12 amendment under the five-minute rule. At the conclusion

1 of the consideration of the bill for amendment, the Commit-
2 tee shall rise and report the bill to the House with such
3 amendments as may have been adopted and the previous
4 question shall be considered as ordered on the bill and amend-
5 ments thereto to final passage without intervening motion
6 except one motion to recommit. After the passage of the bill
7 H.R. 12175, it shall be in order in the House to take from
8 the Speaker's table the bill S. 3049 and to move to strike
9 out all after the enacting clause of said Senate bill and to in-
10 sert in lieu thereof the provisions contained in H.R. 12175
11 as passed by the House.

House Calendar No. 291

88TH CONGRESS
2D SESSION

H. RES. 841

[Report No. 1765]

RESOLUTION

Providing for consideration of H.R. 12175, a bill to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

By Mr. BOLLING

AUGUST 11, 1964

Referred to the House Calendar and ordered to be printed

House

Aug 13, 1964

18. CONTAINERS. The Commerce Committee reported without amendment H. R. 9334, to amend the Standard Container Act of 1928 relating to standards of containers for fruits and vegetables, so as to permit the use of additional standard containers (S. Rept. 1429). p. 18776
19. LABOR AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1965. A subcommittee of the Appropriations Committee approved for full committee consideration this bill, H. R. 10809. p. D68
20. RECLAMATION. The Irrigation and Reclamation Subcommittee of the Interior and Insular Affairs Committee approved for full committee consideration the following bills: S. J. Res. 6, to cancel unpaid reimbursable construction costs of the Wind River irrigation project, Wyo., charged against certain non-Indian lands (amended); S. 770, providing for construction and operation of the Savery-Pot Hook Federal reclamation project, Colo. and Wyo. (amended); S. 3053, to increase authorizations for construction of the Riverton Federal reclamation project; and H. R. 130, providing for payment of compensation, including severance damages, for rights-of-way acquired by the U. S. in connection with reclamation projects begun after January 1, 1961. p. D689
21. AUDIT. The Judiciary Committee ordered reported (but did not actually report) H. R. 4223, to provide for the audit of accounts of private corporations established under Federal law. pp. D690-1

HOUSE

22. RECREATION. House conferees were appointed on H. R. 3846, to establish a land and water conservation fund. Senate conferees have already been appointed. p. 18671
The Interior and Insular Affairs Committee voted to report (but did not actually report) H. R. 6925, to provide for establishment of the Canyonlands National Park, Utah. p. D692
23. INDEPENDENT OFFICES APPROPRIATION BILL, 1965. Agreed to the conference report on this bill, H. R. 11296, and acted on items in disagreement. Prior to this action rejected, 114 to 270, a motion by Rep. Wyman to recommit the bill to conference. pp. 18672-81
24. HOUSING; LOANS. Passed with amendments S. 3049, to extend and amend laws relating to housing, urban renewal, and community facilities. House conferees were appointed. H. R. 12175, a similar bill previously passed, 308 to 68, with amendments, was tabled. Generally, the bill would provide additional authorizations and funds to continue existing federally assisted housing programs for another year. Title V would authorize an \$150 million additional for direct loans under the rural housing program administered by the Farmers Home Administration. pp. 18682-733
25. RESEARCH. Received the conference report on H. R. 4364, to provide for duty-free entry of mass spectrometers for Oregon State and Wayne State universities (H. Rept. 1802). pp. 18770, 18772
26. EDUCATION. The Rules Committee reported a resolution for consideration of H. R. 11904, to amend and extend the National Defense Education Act of 1958 (p. 18772) Rep. Pucinski stated his intention to offer a series of amendments to remove from this bill sections which would prohibit institutions of higher learning from participating in more than one Federal loan program (p. 18735).

27. PUBLIC WORKS APPROPRIATION BILL, 1965. Received the conference report on this bill, H. R. 11579 (H. Rept. 1794). pp. 18762-70
28. COFFEE. Received the conference report on H. R. 8864, to implement the International Coffee Agreement (H. Rept. 1803). pp. 18770-1
29. MEAT IMPORTS. Rep. Battin spoke in favor of meat-import restrictions and asked that the "administration be willing to protect American cattlemen." pp. 18740-1
Rep. Harvey inserted an article, "Meat Import Mischief," and stated that it "is so misleading and unfair to the beef industry that its contents should not go unchallenged." pp. 18742-3
30. FOREIGN AID. Rep. McIntire protested the "squandering of taxpayers' money" for the foreign-aid program. pp. 18743-4
31. TRADE EXPANSION. Rep. Moore inserted a statement on import-export policy and urged passage of legislation which would prevent further tariff reductions in all instances in which imports have, in the past 5 years, demonstrated their competitive advantage in the domestic market. pp. 18744-6
32. LABOR STANDARDS. Rep. Cleveland discussed and outlined pending wage-and-hour legislation. pp. 18746-8
33. CLAIMS. Received from USDA a report of all claims adjudicated and paid by the Department for fiscal year 1964, pursuant to the Federal Tort Claims Act. p. 18771
34. GUAM. The Rules Committee reported a resolution for consideration of H. R. 3869, to establish Federal agricultural services for Guam. p. 18772
35. ELECTRIFICATION. The "Daily Digest" states that conferees agreed to file a report on S. 1007, to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal hydroelectric plants in that region and to guarantee electric consumers in other regions reciprocal priority. p. D693
36. PUBLIC LAW 480. Rep. Findley discussed the extension of Public Law 480 and urged "careful scrutiny...to the effect of Public Law 480 on our farm commodity programs." pp. 18748-9
37. SCIENCE; TECHNOLOGY. Rep. Daddario discussed a study made by the staff of the Subcommittee on Science, Research, and Development, to assess the ways in which existing sources already available can be made more effective. p. 18753
38. LEGISLATIVE PROGRAM. Rep. Albert announced that on Fri. H. R. 11904, to amend the National Education Act, and H. R. 3869, to furnish technical agricultural assistance to Guam, will probably be considered. p. 18734

ITEMS IN APPENDIX

39. BUDGET; EXPENDITURES. Rep. Evins commended and inserted a report on an interview with Rep. Mahon "which sets forth his philosophy and provides valuable insights into the complex problems of Federal financing." pp. A4284-6
40. FARM SAFETY. Extension of remarks of Sen. Hartke urging increased efforts to promote farm safety. pp. A4286-7

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 208 and concur therein.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 220: Page 56, line 9, insert: "Provided further, That, in addition, not to exceed \$200,000,000 of unobligated balances of said Direct loans revolving fund shall be available, during the current fiscal year, for transfer to the Loan guaranty revolving fund in such amount as may be necessary to provide for the foregoing expenses and the Administrator of Veterans' Affairs shall not be required to pay interest on amounts so transferred after the time of such transfer."

Mr. THOMAS. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. THOMAS moves that the House recede from its disagreement to the amendment of the Senate numbered 220 and concur therein.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the conference report and on the several motions was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

STATUE OF FATHER EUSEBIO FRANCISCO KINO

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up a concurrent resolution (H. Con. Res. 275) and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document, with illustrations and bound, in such style as may be directed by the Joint Committee on Printing, the proceedings in Congress at the unveiling in the rotunda, together with such other matter as the joint committee may deem pertinent thereto, upon the occasion of the acceptance of the statue of Father Eusebio Francisco Kino, of Arizona, presented by the State of Arizona; and that there be printed five thousand additional copies, of which two thousand copies shall be for the use of the Senate, and for the use of the Senators from the State of Arizona, three thousand copies for the use of the House of Representatives, and for the use of the Representatives in Congress from the State of Arizona.

SEC. 2. The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall provide suitable illustrations to be bound with these proceedings.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF SCHOOL PRAYER HEARINGS

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up the House Concurrent Resolution 336 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on the Judiciary, House of Representatives, four thousand additional copies each, to be printed concurrently with the publications entitled "Proposed Amendments to the Constitution Relating to Prayer and Bible Reading in the Public Schools, Hearings Before the Committee on the Judiciary, House of Representatives, parts 1, 2, and 3", Eighty-eighth Congress, second session.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON FEDERAL RESERVE SYSTEMS

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 330 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Banking and Currency, House of Representatives, three thousand five hundred additional copies of volumes I and II of the hearings before the Subcommittee on Domestic Finance of the Committee on Banking and Currency, House of Representatives, entitled "The Federal Reserve System After Fifty Years", dated January 21, 22, 23, 29, and 30; and February 3, 4, 5, and 6, 1964; and February 11, 25, and 26, and March 3, 4, 5, 9, 10, 11, 12, and 25, 1964, respectively.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ON FEDERAL RESERVE SYSTEM

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 346, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Banking and Currency, House of Representatives, three thousand five hundred additional copies of volume III of the hearings before the Subcommittee on Domestic Finance of the Committee on Banking and Currency, House of Representatives, entitled

"The Federal Reserve System After Fifty Years", dated April 9, 13, 14, 16, 22, and 29, 1964.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF HOUSE REPORT NO. 176, 88TH CONGRESS

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 347 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed for the use of the Committee on Un-American Activities eight thousand additional copies of the committee's annual report for the year 1962, House Report Numbered 176, Eighty-eighth Congress, first session.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING AS HOUSE DOCUMENTS THE PUBLICATIONS "WORLD COMMUNIST MOVEMENT—SELECTIVE CHRONOLOGY, 1818-1957, VOLUME 2 AND VOLUME 3"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 348 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the publications entitled "World Communist Movement—Selective Chronology, 1818-1957, Volume 2, 1946-1950; and Volume 3, 1951-1953" prepared by the Legislative Reference Service of the Library of Congress, Eighty-eighth Congress, be printed as House documents; and that there be printed ten thousand additional copies of said documents for the use of the Committee on Un-American Activities.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF PUBLICATION "COMMUNIST ECONOMIC WARFARE—CONSULTATION WITH DR. ROBERT LORING ALLEN, APRIL 6, 1960"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 826 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Un-American Activities thirty-seven thousand additional copies of a publication entitled "Communist Economic Warfare—Consultation With Doctor Robert Loring Allen, April 6, 1960".

The resolution was agreed to.
A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF PUBLICATION ENTITLED "THE IRRATIONALITY OF COMMUNISM—CONSULTATION WITH DR. GERHART NIEMEYER, AUGUST 8, 1958"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 827 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Un-American Activities thirty-three additional copies of a publication entitled "The Irrationality of Communism—Consultation With Doctor Gerhart Niemeyer, August 8, 1958".

The resolution was agreed to.
A motion to reconsider was laid on the table.

PRINTING OF ADDITIONAL COPIES OF PUBLICATION ENTITLED "A COMMUNIST IN A 'WORKERS' PARADISE"—JOHN SANTO'S OWN STORY"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 828 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That there be printed for the use of the Committee on Un-American Activities nine thousand additional copies of a publication entitled "A Communist in a 'Workers' Paradise"—John Santo's Own Story", Eighty-eighth Congress, first session.

The resolution was agreed to.
A motion to reconsider was laid on the table.

AUTHORIZING PRINTING OF A "COMPILATION OF WORKS OF ART AND OTHER OBJECTS IN THE U.S. CAPITOL"

Mr. HAYS. Mr. Speaker, by direction of the Committee on House Administration, I call up House Concurrent Resolution 350, and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed with illustrations as a House document a "Compilation of Works of Art and Other Objects in the United States Capitol", prepared under the direction of the Architect of the Capitol; and that there be printed thirty-seven thousand two hundred and fifty additional copies of such document, of which ten thousand three hundred copies shall be for the use of the Senate, twenty-one thousand nine hundred and fifty copies shall be for the use of the House of Representatives, and five thousand for the use of the Architect of the Capitol.

The House concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

HOUSING ACT OF 1964

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 841, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12175) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of the bill H.R. 12175, it shall be in order in the House to take from the Speaker's table the bill S. 3049 and to move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions contained in H.R. 12175 as passed by the House.

Mr. O'NEILL. Mr. Speaker, at this time I yield myself such time as I may consume, at the conclusion of which I shall yield 30 minutes to the gentleman from Ohio [Mr. Brown].

(Mr. O'NEILL asked and was given permission to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, House Resolution 841 provides for consideration of H.R. 12175, a bill to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes. The resolution provides an open rule with 2 hours of general debate, waiving points of order, and making it in order after passage of H.R. 12175 to take S. 3049 from the Speaker's table, strike out all after the enacting clause and insert the House-passed language.

Generally, H.R. 12175 would provide additional authorizations and funds to continue existing federally assisted housing programs for another year. In addition, the bill contains a number of amendments designed to improve FHA sales and rental housing programs and to improve the operation of the urban renewal program. The bill's major features are as follows:

Title I of the bill would permit lower downpayments and higher mortgage amounts on FHA sales housing, and would provide additional protection against foreclosure for FHA homeowners.

Title II would authorize additional funds for low-interest direct loans for rental housing for the elderly, and would provide new housing aids for the handicapped.

Title III would, first, authorize an additional \$600 million for grants under the

urban renewal program; second, tighten the urban renewal program requirements to encourage more rehabilitation and code enforcement; third, provide a new program of rehabilitation loans to aid homeowners and businesses in urban renewal areas to improve their properties; and, fourth, tighten relocation requirements and provide additional relocation benefits to displaced businesses, nonprofit organizations, individuals, and families.

Title IV would authorize 35,000 additional units of low-rent public housing.

Title V would authorize an additional \$150 million for direct loans under the rural housing program administered by the Farmers Home Administration.

Title VI would authorize a limited grant program to encourage on-the-job training and short-term courses of instruction to provide the skills needed for local administration of urban programs.

Title VII would provide an additional \$20 million for the public works planning advance program.

Title VIII would broaden the investment authority of savings and loan associations.

Title IX would provide an additional \$25 million for grants for the open space—parks and playgrounds—program.

Mr. Speaker, I urge the adoption of House Resolution 841.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may use.

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks and to include extraneous matter.)

Mr. BROWN of Ohio. Mr. Speaker, the gentleman from Massachusetts [Mr. O'NEILL] has explained rather cogently the provisions of House Resolution 841. It provides for the consideration of the bill H.R. 12175, the so-called housing bill, the extension of the Housing Act to fiscal 1965. It provides for 2 hours of general debate, following which the measure will be open for the offering of amendments under the 5-minute rule.

This is a rather complicated piece of legislation, or probably I should describe it as being a comprehensive piece of legislation, because it would spend for the balance of this fiscal year, 1965, or for about 10 months from the time the bill would be signed into law additional appropriations amounting to about \$1 billion.

The bill itself, on which very curtailed or short hearings were held before the Rules Committee, consists of some 78 pages. The report on the bill, which I recommend be read by Members, consists of 125 pages. The bill and the report came from the Committee on Banking and Currency to the members of the Rules Committee one evening about 5:30 or 6, and I think we remained in session until 8:30 that night. The next morning we were asked to hold a hearing and report the measure in 30 minutes; a procedure to which some of us objected because we wanted to find out at least what the cost would be.

I asked the sponsor of the bill, the chairman of the committee, what the

total cost of the bill would be, and he advised us it would be around \$900 million. However, we did take time the next day to look a little further into the bill, and I should like to call your attention, if I may, to the fact that the measure itself contains, as the gentleman from Massachusetts has so well explained, nine different titles dealing with many different housing problems or subjects.

At this point in my discussion of this bill I should like to include, if I may, Mr. Speaker, a breakdown title by title of the provisions of this bill as some of us have been able to interpret them, the cost thereof, and precisely what the titles provide for, in as short and as clear language as we can describe these titles.

H.R. 12175, HOUSING ACT OF 1954

TITLE I—AMENDMENTS TO THE NATIONAL HOUSING ACT

Mortgage limits for homes under section 203 programs—section 101: mortgage limits would be increased from \$25,000 to \$30,000 for one-family homes; from \$27,500 to \$32,500 for two- or three-family homes; and from \$35,000 to \$37,500 for four-family homes. Downpayments would be lowered 10 percent to 7½ percent for homes having an appraised value between \$15,000 and \$20,000; and from 25 percent to 20 percent for homes having an appraised value above \$20,000. For homes appraised at \$15,000 or under the downpayment remains at 3 percent for new homes, but would be reduced from 10 percent to 8 percent for existing homes.

For low-cost housing in outlying areas the mortgage limit would be increased from \$9,000 to \$11,000—section 101(b).

Additional relief for home mortgagors in default due to circumstances beyond their control—section 103—the bill would permit the lender, in recasting or reamortizing a mortgage in default, to include delinquent interest, and to extend the time beyond the maximum statutory maturity of the mortgage.

TITLE II—HOUSING FOR THE ELDERLY AND HANDICAPPED

Loan program.—Section 201: The total amount authorized for direct loans under the housing for the elderly program would be increased from \$275 to \$350 million, that is, \$75 million.

Housing for the handicapped—Section 203: This section amends various provisions of the housing laws to provide thereunder the same special treatment for handicapped persons and families as is presently provided for the elderly.

TITLE III—URBAN RENEWAL

This title would first, authorize an additional \$600 million—\$4 billion to \$4.6 billion—for grants under the urban renewal program—Section 301; second, tighten the urban renewal program requirements to encourage more rehabilitation and code enforcement—Section 302; third, provide a new program of rehabilitation loans to aid homeowners and businesses in urban renewal areas to improve their properties; and fourth, tighten relocation requirements and provide additional relocation benefits to displaced businesses, nonprofit organizations, individuals, and families.

TITLE IV—HOUSING FOR LOW-INCOME FAMILIES

This title would extend eligibility to displaced individuals for low-rent public housing—Section 401—authorize a subsidy of up to \$120 per dwelling unit year for urban renewal and low-rent housing displacees—Section 402—increase by \$27 million the existing limit on the aggregate amount for the low-rent housing program, which should provide about 35,000 additional units of low-rent housing.

TITLE V—RURAL HOUSING

This title extends the authority to insure loans made to provide rental housing and related facilities for the elderly in rural areas—section 501—increases from \$700 million to \$850 million, that is, \$150 million, the Secretary of Agriculture's authority to obtain funds for direct loans under the farm housing program, which is administered by the Farmers Home Administration.

TITLE VI—FEDERAL-STATE TRAINING PROGRAMS

This title authorizes \$10 million, without fiscal year limitation, for grants, which States must match, to encourage on-the-job training and short-term courses of instruction to provide the skills needed for local administration of urban programs.

TITLE VII—COMMUNITY FACILITIES

This title would provide an additional \$20 million for the public works planning advance program.

TITLE VIII—SAVINGS AND LOAN ASSOCIATIONS

This title would extend the basic lending area of a federally chartered savings and loan association from 50 miles to 100 miles from its home office—section 801—would increase from \$35,000 to \$40,000 the maximum loan which can be made by a federally chartered S. & L. association on a single-family home—section 802—and would broaden the investment authority of savings and loans associations in several other areas.

TITLE IX—MISCELLANEOUS

This title would amend the National Housing Act to eliminate the statutory limit of \$20,000 per family residence or dwelling unit on mortgages purchased by FNMA in its secondary market operations—section 901—would increase the maximum amount of any short-term loan made by FNMA in its secondary market operations from 80 to 90 percent—section 902—would increase from \$50 to \$75 million—\$25 million—the total amount of grants which may be made by the HHFA Administrator under the open-space land program—section 903—and would provide for other miscellaneous provisions.

ADDITIONAL AUTHORIZATIONS FOR GRANTS AND LOANS

Grants

[In millions]

| | |
|--|-------|
| Urban renewal (capital grants) (p. 36)----- | \$600 |
| Urban renewal planning grant authorization (p. 51)----- | 30 |
| Subsidy for urban renewal and low-rent housing displacees (p. 57)----- | 27 |
| Low-income housing demonstration program (p. 61)----- | 5 |
| Federal-State training programs (p. 65)----- | 10 |
| Open-space program (p. 75)----- | 25 |
| Total for grants----- | 697 |

Loans

[In millions]

| | |
|--|------|
| Housing for the elderly and handicapped (p. 32)----- | \$75 |
| Rehabilitation loans (p. 48)----- | 50 |
| Rural housing direct loan program (p. 61)----- | 150 |
| Advances for public works planning (p. 67)----- | 20 |
| Total for loans----- | 295 |

I think your attention should be called to the fact that the total cost of this measure during the next 10 months, during the balance of fiscal year 1965, will be \$992 million. That is just a very small amount under \$1 billion, and even in this day and age \$1 billion is still a considerable amount of money. Of this amount, \$697 million would, under the provisions of this bill, go for grants, mostly capital grants, and grants means gifts, if you please, that are not recoverable, but once made are gone forever, and of course are a direct charge against the U.S. Treasury.

Of the \$697 million in grants \$600 million would be for a continuation of the urban renewal program upon which we have already spent some \$4 billion. There has been in recent years a growing criticism, at least in many communities, as to the value of these urban renewal programs. But this measure provides that we contribute \$600 million more in the form of grants in the next 10 months for expediting the urban renewal programs throughout the country.

Then the bill carries also a \$30 million authorization for an appropriation to meet the costs of urban renewal planning. That will be by grants or by gifts.

Next there is a subsidy of \$27 million in grants for urban renewal and low-rent housing displacees.

Then the bill carries a provision for an authorization to appropriate \$5 million for low-income housing demonstration programs.

There is another authorization in the amount of \$10 million, something new by the way, to be in the form of grants for Federal-State training programs so as to train representatives of the States and the local communities how to best come down here and ask for money under this program and how best to obtain it, at least in the easiest manner.

Then next, of course, is another \$25 million grant for open space programs. If you will read that section of the bill carefully, you will find that it is a little difficult to understand just what open spaces will be. We all like open spaces, of course, in residential communities. But according to some of those who have criticized the bill, and the members of the committee in charge of the legislation can explain it, perhaps, this will include golf courses and other recreational facilities. Of course, that is not unusual because now the Department of Agriculture is busy helping to build golf courses, too, out in the rural areas. Perhaps that is a good thing to do. At least, seemingly, it is possible under the open space program provided under this section.

This makes a total, as I said a moment ago, of \$697 million in the form of

grants or gifts under the provisions of this act.

This act also provides for the construction of some 35,000 additional public housing units and for certain subsidies of low-income families living in these housing units.

In the form of loans \$295 million in all have been provided in this bill—\$75 million will be in the form of loans to carry out the housing program for the elderly and the handicapped. This is a program by the way, which seems to be rather helpful and the testimony has so indicated.

Then there is \$50 million more furnished for what the bill describes as rehabilitation loans, I presume, to rehabilitate existing property—\$150 million would be authorized to be appropriated under the bill for rural housing, in the form of direct loans. If anybody wanted to build a rural home, up to a certain limitation he could apply and could get a part, at least, of the \$150 million.

Finally, there is a provision which authorizes appropriations in the amount of \$20 million for advances for public works planning.

This is all in addition to other programs in effect and to other programs which have been proposed and are now contained in pending legislation. We must remember that in some instances not only are funds to be provided under the provisions of this bill, either in the form of outright gifts or grants or in the form of loans, but also funds may be obtained for virtually the same purposes under many other programs financed and funded by the Federal Government for the purpose of helping those who are in need.

Before closing I should mention that this bill has several other provisions which may be of interest. It will be perhaps more helpful for those who want to purchase higher priced housing than they can now purchase with FHA insurance. Such loans are to be insured up to \$50,000 per house.

Some of us wondered why so much attention was being given to the higher priced homes instead of giving closer attention to the needs of those who are ill-housed now, and who, because of urban renewal or other activities, have been put out of the places in which they live and find it impossible to locate living quarters at prices they can afford to pay in some other sections of some of our cities.

Again I wish to point out that during the past 2 or 3 years, according to the testimony we have received, there has been a sharp reduction in the number of cities willing to go along with urban renewal programs or public housing programs. In a number of the cities of the country in which such questions have been put to a vote, they have been rejected by the voting public of those communities.

That does not mean—and I do not charge, nor do I claim—that any or all of these particular programs contained in the bill are bad, either completely bad or partially bad. I do say that the evidence seems to be piling up that some

day we may have to bring an end to this entire Federal housing program and get back on a more realistic footing to meet the needs and the requirements of the general public for housing.

Mr. BOW. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Ohio.

Mr. BOW. Would the distinguished gentleman from Ohio explain to the House why points of order are to be waived by the resolution?

Mr. BROWN of Ohio. Points of order would be waived, over the objection of some of us who are members of the Rules Committee, on the basis that a revolving fund is involved, wherein certain funds are paid into the revolving fund and then paid out again.

Again, there are some of us who fear that perhaps this is a method not only of sidestepping and evading the authority and the jurisdiction of the Committee on Appropriations, but, also, perhaps, of permitting backdoor spending.

Mr. BOW. Is it not a fact that this would violate a rule of the House on the question of appropriations?

Mr. BROWN of Ohio. We believe so. Yes. And we are told, in fact, that unless the points of order were waived, a point of order would lie against that section of the bill and it could be stricken out on objection.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Iowa.

Mr. GROSS. So it is increasingly considered to be bad practice for the Committee on Appropriations and, therefore, the House of Representatives to scrutinize all expenditures. Is that the case?

Mr. BROWN of Ohio. Well, of course, I have a strong feeling and a strong belief that the House of Representatives, in carrying out its responsibilities to the people that the Members represent, should scrutinize all appropriations and expenditures closely. That is exactly what I tried to do as quickly and as tersely as I could in connection with this particular bill.

I want to call the attention of the House to what it does and what it does not do. I hope the explanation I will include with my remarks in the RECORD on just exactly what can be done under each title of this bill, or what may be done, will be of some help and benefit to the Members of the House.

Mr. GROSS. I appreciate my friend's statement and say to him I certainly agree with him.

Mr. BROWN of Ohio. Mr. Speaker, I reserve the balance of my time.

Mr. O'NEILL. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12175) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12175, with Mr. KEOGH in the chair.

IN THE COMMITTEE OF THE WHOLE

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. PATMAN] will be recognized for 1 hour, and the gentleman from New York [Mr. KILBURN] will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 12175, the Housing Act of 1964, will extend for 1 year our housing and community development programs. It will do so in a strengthened and improved form.

This bill makes important changes designed to permit those of our people who are most in need of help to participate more fully in the benefits of these programs. It is a bill that expresses the concern of Congress for families of low income, for the elderly, the handicapped, and the displaced. Moreover it provides greater protection of human values in our wide-ranging housing and urban improvement activities. My distinguished colleague, the gentleman from Alabama, ALBERT RAINS, chairman of the Housing Subcommittee of the Banking and Currency Committee, will give you a comprehensive review of the provisions of the bill. But first may I call your attention to a few particular provisions which are addressed to areas of special need.

That part of the bill which deals with FHA mortgage insurance programs provides additional relief for home mortgagors in default due to circumstances beyond their control. It affords additional special assistance to housing co-operatives, which have proved so effective in meeting the needs of middle-income families. It enables FHA programs to serve lower and moderate income families by reducing downpayment requirements. It reactivates the program of insured mortgages for low-cost homes in outlying areas. It broadens mortgage insurance for nursing homes to include those operated on a nonprofit basis.

Elderly single persons are made eligible for FHA-assisted housing for moderate income or displaced families. The program of direct loans for housing for the elderly is carried forward.

Physically handicapped persons are made eligible in the several programs designed to provide housing for the elderly, in FHA programs for moderate income or displaced families, in public housing, and in the low-income housing demonstration program.

Individuals and families displaced by urban renewal operations are given further protection in the form of additional relocation payments and tightened requirements that decent housing be available for them to move to. Similarly, greater assistance is provided for dis-

placed businesses. Moreover, it is provided that this same kind of assistance shall be afforded to individuals, families, and businesses displaced by public housing projects.

The bill before you would extend the federally aided low-rent public housing program so as to permit contracts for about 35,000 additional units. This authorization is consistent with the actual rate at which new units were placed under contract during the past year and with the level of the program over the past decade. This extension of the program is amply supported by pending applications and fully justified by the predictable needs of low income families. It also takes account of displacement by urban renewal and other community improvement programs. That is the least that we can do for those in greatest need of our help.

The housing needs of rural people are recognized more fully in provisions that extend for another year the program of insured loans for rental housing for the elderly in rural areas, and by an additional authorization for the program of direct rural housing loans which has been so successful in improving housing conditions in farm and rural nonfarm areas.

Finally, I come to those provisions of the bill which will strengthen the capabilities of savings and loan institutions to meet the rapidly growing demand for their services. Familiarity with the savings and loan movement of this country over many years has convinced me that these uniquely valuable institutions have reached a point where enlargement of the scope of their operations is clearly justified. I take particular pride in the provisions of this bill which would accomplish this.

Extending the area of operations of a savings and loan institution from 50 to 100 miles is completely consistent with the expansion of our urban centers throughout the country. The effectiveness of these savings and loan institutions will be significantly increased by the provisions which liberalize their investments in leaseholds, in urban renewal housing, and in State corporations, and which permit them to invest in municipal bonds.

This bill is a product of extraordinary bipartisan cooperation in the Committee on Banking and Currency. It was reported by an 18-to-1 vote. I am hopeful that it will receive overwhelming approval by the Members of the House on the same nonpartisan basis.

In closing, I want to pay tribute to the expert handling of this legislation by the gentleman from Alabama [Mr. RAINS], who, as chairman of the Housing Subcommittee, has for so long dedicated his great talents to the development of better programs in the housing and urban renewal field. His retirement will mean a loss to this House of one of its ablest Members, and to those of us concerned with housing programs, the loss of an irreplaceable leader. We shall miss him sorely.

Mr. Chairman, I yield to the distinguished gentleman from Alabama,

the Honorable ALBERT RAINS, such time as he may consume.

(Mr. RAINS asked and was given permission to revise and extend his remarks.)

Mr. RAINS. Mr. Chairman, the legislation we are considering today is the first omnibus housing bill brought before the Congress since the enactment of the Housing Act of 1961. Like the Housing Act of 1961, and the housing acts of prior years, it covers a broad range of housing and community development programs and activities. The legislation before us today does not, however, parallel the Housing Act of 1961 in terms of authorizing new programs and initiating new approaches. Rather, its general pattern is to provide a limited, 1-year extension of existing programs, and to couple this with a number of improvements, particularly in FHA and urban renewal operations, on which there appeared to be fairly general agreement.

This pattern was developed with the agreement of both the majority and minority members of the Housing Subcommittee. I cannot too highly praise my good friend, the gentleman from New Jersey [Mr. WIDNALL], for his cooperation. I know that there are a number of items which he wanted to take up in connection with this legislation but recognizing the urgent need to keep existing programs going and the lateness of the session, he agreed to defer some matters until next year, just as we did on our side.

In our hearings in the Housing Subcommittee we considered the administration bill and the bill introduced by our ranking minority member, the gentleman from New Jersey [Mr. WIDNALL], and other members on his side. The reported bill, H.R. 12175, includes provisions from both of these measures as well as from other bills before the committee. The subcommittee agreed on these provisions by a unanimous vote of 11 to 0, and the gentleman from New Jersey [Mr. WIDNALL] and I introduced identical bills containing these provisions, and I hope the Members will note that in particular because it has not happened many times. The bill was then considered by the full committee in executive session and reported out without change by the overwhelming bipartisan vote of 18 to 1, with 4 voting "present."

The limited approach taken in the bill now before us does not mean that proposals for new programs have not been made, or that such proposals have not been considered by your committee, or that the committee has necessarily rejected these proposals.

The subcommittee held extensive hearings in which all of these programs and recommendations were carefully examined. I believe that the provisions in this bill have the support of most groups interested in housing—mayors, civic groups, homebuilders and lenders, unions, and others.

Because this bill deals with most of our housing programs, it is necessarily lengthy and complex. All of the provisions are fully explained in the committee report and I will describe only the major provisions.

Title I of the bill would improve the mortgage insurance programs of the Federal Housing Administration in order to make them more workable in their role of encouraging the investment of private funds in the provision and improvement of housing.

Home ownership would be encouraged by the authority provided in the bill for lower down payments when homes are purchased with FHA-insured mortgages.

The modest reductions that would be made can be of great help in enabling families to get the better homes they need, particularly in the case of larger families.

The bill would also increase the dollar limits on amounts of home mortgages which can be insured by FHA. These changes are needed to enable FHA to serve a broader range of market needs and reflect today's higher costs. The higher limits would make insured mortgages available where they cannot now be used, especially in outlying areas, because increases in construction costs have made houses too expensive to be purchased with an FHA-insured mortgage.

Rental housing better suited for family living would result from changes provided in the bill for computing the maximum amount of an insured rental housing mortgage. Under present law the maximum amount of an insured mortgage financing rental housing is based on a per-room limit.

I may say parenthetically that two or three distinguished gentlemen have shown me an amendment they would propose to the nonprofit nursing home proposal. While the bill provides for 90 percent, I know that several Members would like to make it 100 percent. I am a bit afraid this would take it a little too far; that even in the case of a nonprofit organization there should be made at least a downpayment on the part of the nonprofit organization. Where it is a church group there might be more reason for going higher, perhaps to 95 percent. However, the FHA section on nursing homes has been such a wonderful success I do not want it to be cut too thin because I do not want to do anything to impede such a desirable program.

The bill would make other changes in FHA loan insurance programs. These include putting cooperative housing insurance on a mutual basis the same as the regular FHA sales housing program, and authority for insured supplemental cooperative housing loans to cover re-sales of memberships in cooperatives.

Title II of the bill would authorize \$75 million in additional appropriations for direct loans for housing for the elderly. As the author of this program I take particular pride in it and I believe it is doing a good job of meeting an important and growing need.

For the first time, special assistance for housing for the physically handicapped would be provided by title II of the bill. In general, they would be given the same consideration provided for the elderly. A number of existing housing programs would be made available to provide housing for the handicapped. This would include the programs of the

FHA-insured mortgages and direct loans for rental housing for the elderly. In addition, a single low-income person would be made eligible for public housing and individual handicapped persons would be made eligible for the purchase or rental of the FHA section 221 housing for low- or moderate-income families—including the below-market rental housing.

I should like to say for the RECORD, Mr. Chairman, that on this section of the bill very extensive hearings were held. The author is the distinguished gentleman from Ohio [Mr. ASHLEY].

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from Washington.

Mr. WESTLAND. The gentleman knows my interest always in housing legislation and my general support for it. I wish the gentleman in the well would discuss some of these items that appeared in the press that I have read about FHA foreclosures, that there has been too great an extension of credit in the FHA mortgages. Is this the fault of the legislation itself or is it the fault of the credit reporting companies? What does the gentleman think about this? I would be very much interested in hearing his views.

Mr. RAINS. I would say to the distinguished gentleman that long and extensive hearings were held by the Senate and it was gone into considerably by our committee concerning foreclosures under FHA. The truth is that most of the foreclosures under FHA have been brought about because of shifts of Government installations, Government military projects, or the closing down of certain plants and, in one or two sections of the country, maybe like in Florida, under one of our cheap, low-cost housing programs that was overbuilt. But in the main the inventory of the FHA is looking up and is brighter every day, because, as a matter of fact, the FHA today is selling houses in the inventory faster than any are being foreclosed. The truth is that percentagewise—I will have a little later in the debate the exact figure—percentagewise the FHA foreclosure rate is somewhere around 2 percent, which is not a very alarming rate.

Mr. WESTLAND. Two percent is the emergency foreclosures?

Mr. RAINS. Yes, that is correct. I will be glad to put that into the RECORD. But generally most of the foreclosures have been brought about by those very factors I can mention. I can mention some in my home State. I am pretty sure I know some in the gentleman's State, where it is because of dislocation of people who had available a fine, good loan, but they moved someplace else or lost their jobs.

Mr. WESTLAND. I am pleased the gentleman has discussed this, because these stories have appeared in the press quite often, and they have disturbed me.

Mr. RAINS. I will say to the gentleman further that the fund in the FHA reserve insurance fund is still growing instead of being reduced. The figure is astronomical as to how much actual

reserve insurance has been accumulated in the FHA fund. It is around \$1 billion.

Mr. WESTLAND. These funds are sometimes returned to the borrower, are they not?

Mr. RAINS. A certain percentage of the funds at pay off event is returned to the buyer in the way of an adjusted payment.

Mr. WESTLAND. You put a bunch in a basket, and if you happen to be in a good group sometimes you get some of your money back?

Mr. RAINS. If you live long enough you get some of your money in the form of a rebate, but the real reason is to show the amount of insurance necessary to take care of the foreclosures we have at the present time. Actually the agency is doing a good job. It is better than it was a few months ago.

Mr. WESTLAND. I thank the gentleman.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from New York.

Mr. MULTER. I think it also should be pointed out that the FHA foreclosures are no different than conventional foreclosures, because of local conditions that prevail generally, and are not due to bad administration. The same facts that affect conventional mortgages affect those of the FHA.

Mr. RAINS. I would be somewhat derelict in my duty if I were to say that the administration of the FHA as of now is being done exceptionally well, and I think the record will show it.

That leads me, knowing what is coming later, to make a stab against an amendment that is going to be offered by one of my dear friends and colleagues a little later.

We talk about the FHA which is a child and a creature of the Congress of the United States. The operation of it belongs to the Congress and is the duty of the Congress to watch over the FHA—or it should be.

Therefore, that is why we have this bill that at the end of this year the Congress shall have the right to look at the FHA again. In other words, I am frank to say I think the Congress ought to keep under constant surveillance the operation of the FHA. I hope we remember that when a certain committee amendment is offered that the more we stay in touch with them, no matter what the program is, and that is the way I feel about it, the better off we will be.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I yield to the gentleman since I mentioned his amendment.

Mr. OLIVER P. BOLTON. I am sure the gentleman in fairness at this point that the Committee on Appropriations each year appropriates the administrative funds for the FHA and therefore has a chance to review the entire program.

Mr. RAINS. That is absolutely correct. Of course, there are many strong supporters of the FHA who say that the FHA ought to be able to just use its funds on and on without coming back even to the Committee on Appropria-

tions. I do not believe that. Likewise, I do not believe that the authorizing committee should not have the opportunity to look at it every year as well as the Committee on Appropriations. I recognize that fact and I know that there are those who believe that, as a matter of fact.

Title III of the bill deals with urban renewal and urban planning assistance programs.

The slum clearance and urban renewal program, begun by the Housing Act of 1949, has proven to be of tremendous benefit to our towns and cities. It has made possible a direct attack on slums which blight nearly every community of any size in this country.

Last fall the Housing Subcommittee undertook a thorough review and evaluation of this program. This review lead us to conclude that the urban renewal program generally is succeeding. Many of the sore spots of our cities have been converted into healthy, attractive assets to the community. In general, the program is well administered and has been singularly free of graft or misuse of funds or authority.

While I do not intend to get into any individual debate about individual housing or urban renewal projects either here or elsewhere in this country, we have to look at the general overall aspects of the legislation. I want to point out one thing about urban renewal. Constantly, there come to the members of our subcommittee the GAO reports. They are often critical, not only of urban renewal but of every other agency of Government—and well they should be. I read them all. They are actually very helpful. They have been critical of some misjudgments—and there is no doubt about it—in the urban renewal program as they have been critical of some aspects of our military program and every other program that we have, and I wish you would read their reports.

They have said in answer to questions, and I urge you to read the testimony where I asked the question:

That in all that vast program, and it is a tremendous program in amounts of dollars, not one dollar of corruption or graft or misuse of money have they found.

That is a pretty good record. There is no other agency that can have any better record.

Not only that, and I want this to show in the RECORD, to my mind one of the keenest hawkeyes among our fellow Members in this Congress is the gentleman from Texas [Mr. THOMAS]. Every agency that comes before the Independent Offices Appropriation Committee knows that they have been scrutinized to the nth degree when his committee gets through with them. I compliment them for that.

I am sorry our good colleague, the gentleman from Texas, is not here but I want to say he is not too free with compliments to the so-called chiefs of the agencies, if you will read the hearings or if you drop in on the hearings some time. But when he heard the whole story of urban renewal with this nearly \$4 billion of expenditures, he said he

thought it was fantastic that not a single case of corruption could be found in the administration of this program.

That is a pretty good compliment from a very worthy gentleman.

While, as I say, there have been some mistakes made in the administration of urban renewal, FHA, public housing, and all the programs of the Government, I can say I believe it can be proved beyond peradventure of doubt that whatever is wrong has been the result of bad judgment instead of misuse of funds, which, in a way, is a great compliment.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. RAINS. I am glad to yield to the gentleman from Iowa.

Mr. KYL. The gentleman from Alabama and his subcommittee have tried to solve a serious problem which frequently has resulted from programs of the type of which he is speaking.

This week, within the past few days, a letter came to Members of Congress from the District of Columbia Redevelopment Land Agency. I do not know to what extent this reflects the attitude of such agencies across the country, but I wish to ask a question in this regard.

In the letter we find the statement:

Even though it is essential that the public housing program be expanded to provide units for eligible families who otherwise must continue to occupy unsatisfactory housing, we do not believe that social progress would be achieved by adoption of a policy of deferring urban renewal projects and other governmental activities until all families eligible for a publicly owned dwelling unit have been relocated into either a public housing unit or a satisfactory, privately owned unit.

Is this the attitude of one agency, or of these agencies generally? Further, is this the philosophy of the committee?

Mr. RAINS. I must admit that I am not conversant with the letter which the gentleman has, but as I understood it, it was said that they should not uproot people by urban renewal and public housing unless full and adequate provision were made to rehouse the people displaced in good housing. Is that what it says?

Mr. KYL. No; the gentleman reads the wrong context in, as I understand the thought. It was expressed in certain quarters that if a group of people had been displaced because of one activity further destruction of homes should not be undertaken until those people had been relocated in suitable public or private housing, or had at least been given an opportunity to be relocated; but this is a denial of that fact when it says:

We do not believe that social progress would be achieved by adoption of a policy—

Which would secure that.

Mr. RAINS. I can announce the feeling of a committee, I say to the distinguished gentleman, and this bill has given particular emphasis toward trying to achieve it. It is the philosophy of this legislation and of this bill in particular, because we took more than passing pains to do something about it, that in no instance should people be uprooted by urban renewal or any other govern-

mental program unless adequate provision is made for the rehousing of those people in decent, sanitary, and good housing, either public or private housing.

This bill, thanks to my distinguished friend, the gentleman from New Jersey [Mr. WIDNALL], makes a great deal of effort toward reaching the very problem the gentleman has stated.

Mr. KYL. I thank the gentleman for his response, because I want that in the RECORD.

Mr. RAINS. I will continue with that thought for a minute. I wish to credit my distinguished colleague, the gentleman from New Jersey [Mr. WIDNALL], for the leading role he played in the development of the provisions of this bill which authorize the 3 percent direct loan program to enable the owners of property in urban renewal areas to finance needed repairs and rehabilitation. The existing programs designed to stimulate private rehabilitation of property in urban renewal areas have not been successful. I have great confidence that this new 3 percent interest program will make possible the private repair and rehabilitation of a substantial amount of property in urban renewal areas. It will provide a source of financing to those persons who own property in urban renewal areas presently who are unable to undertake the necessary rehabilitation of their property because they cannot obtain loans in sufficient amounts or on terms they can afford.

I ask Members to note this well, because it is a very fine section, in my opinion.

Another important innovation in this bill which we owe largely to the efforts of the gentleman from New Jersey is that which emphasizes the role of code enforcement in urban renewal objectives. In recognition of this, the bill authorizes urban renewal projects which consist entirely or substantially of a program of intensive code enforcement. Thus, it provides that Federal grant assistance shall be available to help pay the cost of enforcing codes in such project areas, and as a corollary, requires that the locality shall be required to increase proportionately its total expenditure for code enforcement.

In further support of these objectives, the bill provides that beginning 3 years hence no workable program, which is a prerequisite for urban renewal assistance, will be approved or recertified unless the locality is carrying out an effective program of housing code enforcement. That is quite a section. Very frankly, this particular section is aimed at putting onto the local authorities the responsibility so after 3 years they cannot qualify unless they have an adequate code enforcement at the local level. Had it been carried out over the long years past, we would not have the slums and blight we now have in the cities of this country.

I compliment my distinguished friend from New Jersey [Mr. WIDNALL] for the good work he has done on that particular section.

Title IV of the bill provides for 35,000 units of public housing. That has al-

ways been known as the minimum number of public housing units. I point out in the 1961 act the Congress completely authorized all of the remaining units they would have in the 1949 act, but by a dollar limitation in this bill it is limited to 35,000 units.

Title V of the bill would continue the programs designed to give help to our farm and rural nonfarm families. The program which we set up in 1949 to provide low interest loans to enable rural families to build homes of their own has been one of our most successful. The problem of inadequate housing is just as serious in farm areas as it is in the big cities and these loans from the Farmers Home Administration are doing an outstanding job of overcoming it. The provision in the bill to authorize an additional \$150 million for these loans will not meet all of the applications but it will keep the program going for 1 year.

This title would also make 1-year extension of the authority to insure loans on rental housing for the elderly in rural areas.

Title VI of the bill would authorize the Housing and Home Finance Administrator to make matching grants to States to assist them in developing special training programs for technical and professional people who are, or are likely to be, employed by a governmental or public body which has responsibilities for community development. The bill would authorize \$10 million to be appropriated. This provision will strengthen State and local government by providing skilled personnel to deal with the problems of our towns and cities.

Federal programs to assist housing and community development involve billions of dollars in Federal expenditures. To a great degree these expenditures are for federally supported local programs managed by employees of State and local governments. Well-trained people at the local level can repay the Federal share of the cost of these training programs many times over in improved efficiency in the use of Federal funds made available for urban renewal, urban planning, waste treatment facilities, highways, and so forth.

Title VII of the bill would make a number of refinements in the Public Facility Loan program to make that program more useful and efficient. In this connection, I would like to note that I have been asked whether or not the language in section 701 of the bill would cover such a project as the proposed Interama in Florida. I can state definitely that it would, and I subscribe wholeheartedly to the colloquy which took place between Senator SPARKMAN and Senator HOLLAND on this point which appears on page 17004 of the daily RECORD.

Title VII of the bill would also authorize an additional \$20 million to be appropriated to carry out the planning advance program. The present authorization has been exhausted.

For the past two decades, under successive authorizations, this program of advances for the planning of public

works has provided communities throughout the country with funds that have enabled them in advance of construction to develop the plans for public works and facilities. It is an extremely useful and successful program.

Title VIII of the bill would strengthen our savings and loan institutions to meet the expanding needs of the communities they serve.

They would extend the basic lending area of savings and loan institutions from 50 to 100 miles of the home office; increase the maximum loan on a single family house by an association from \$35,000 to \$40,000, and broaden the permissible types of investments which can be made by loan institutions. The bill would, for example, permit a Federal savings and loan association to invest in municipal bonds and increase the maximum home improvement loans by a Federal association from \$3,500 to \$5,000. The bill would also permit broader investment of public funds in insured savings and loan accounts.

All of these measures would help expand the service and broaden the scope of these invaluable local community institutions, which today constitute by far the largest single source of home mortgage financing, as well as a major channel of savings and investment for the average citizens.

Provisions in title IX of the bill would make two perfecting changes in the secondary market operations of the Federal National Mortgage Association. FNMA now has authority to make up to 80 percent loans on insured or guaranteed mortgages. However, this ratio has proved to be inadequate; and the bill would, therefore, authorize loans for up to 90 percent of value.

Also, the bill would remove the present \$20,000 limit on the mortgages which FNMA can purchase under its secondary market operations. This provision is now in effect a second and unnecessary limitation on that program. FNMA has been, and would continue to be, controlled by the ceilings applicable in the various FHA mortgage insurance programs. There is no reason to disqualify for secondary market purchase those few FHA-insured mortgages which exceed the \$20,000 limit.

Another provision of this title would increase by \$25 million the grant authorization in the open space program which is designed to provide parks and playgrounds in our towns and cities. This program, authorized in the Housing Act of 1961, is now well established and is receiving an increasing volume of applications for assistance in spite of the rather low—20 and 30 percent—level of grants available. The proposed additional funds will carry the program for the coming year.

Other provisions in this title are for the most part designed to meet special local problems caused by limitations in the various housing programs.

The bill, as I have indicated, is a relatively modest bill. Its enactment is essential to the continuation of programs which are vital to our efforts to provide better housing and better communities

for all of our people. It will improve those programs and permit continued progress during the coming year while at the same time provide a foundation for consideration of the many important proposals that have been made for new solutions to old problems and new approaches to current and future problems.

May I say to my fellow Members there is much to be done by future Congresses, and in this reference to the future I cannot but conclude with a personal comment. In view of my announced retirement from congressional service, this will be the last housing bill I will be privileged to bring before this body. Over the years I have had the honor to present this legislation to the House I have received the most respectful and responsible consideration and reception from all of my colleagues in this body on both sides of the aisle. The record of those years covers some of the most significant domestic legislation in our history. It is a proud record, and it is your record, not mine. However, I have been honored to perform this role for so many years and I can take deep pride and personal satisfaction in what we have achieved together for the betterment of the people of our country.

Mr. WIDNALL. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, may I first state this: It is a sad day for the House of Representatives when our very esteemed and very distinguished chairman of the Housing Subcommittee [Mr. RAINS] leaves the Halls of Congress. He has been an able and dedicated legislator for many years. He has worked cooperatively with members of the minority. Although we have differed many times on specific things within a housing program, we have had a common objective. We have disagreed violently many times on the way to approach that objective, but he has always been, I would say, a dedicated American who has the trust and there is belief in his own character and his own leadership on both sides of the aisle.

When you leave this House, you will not only have the regrets of the members of the Democratic Party but also those of the minority, the Republican Party. It is going to be a loss to our subcommittee, to the full committee, and to the House because of the distinguished way in which you have represented not just your people but the people of America.

On this bill that we are considering today, I would like to express again my appreciation to the chairman of the fair way in which he has considered the views of the minority and the legislation that we proposed earlier this year.

We have worked hard together and over a period of time to bring in a bill that to me is a bipartisan bill with a common objective. It was reported unanimously by the subcommittee and came out of the full committee, as the gentleman from Alabama, a Representative RAINS has reported, by a vote of 19 to 1, with 4 voting "present" at the time. And I would say not because they were against the bill but because there were some things within the bill that they wanted to look into further before

putting themselves on record completely one way or the other.

I am pleased to report to the House today that this bill before us contains provisions offered by the minority which I believe will contribute greatly to the change in direction which we feel is necessary for the urban renewal program to reach its full potential.

First, a new \$50 million rehabilitation loan program will be made available to home owners and businessmen. For too long the stress has been on moving people out of an area and seldom returning them to their old neighborhoods after renewal. Although rehabilitation has been an expressed goal of Congress for 10 years the tools of this rehabilitation effort have been lacking. At least this need has been met in part by the new proposed loan program. It is by definition designed to reach those who, due to the marginal nature of their business, their age or their income status are unable to carry the high interest costs of a commercial loan even if they could qualify for credit.

Although the risks are being borne by the Federal Government directly in this program I would suggest that the risks and the costs would be much greater without the program.

The percentage of small businesses who failed when forced to relocate has been much too high and the number of projects favoring rehabilitation instead of forced relocation has been much too low.

I remind my colleagues that this bill is \$800 million lower in urban renewal grants than called for by the Administration. I am sure that if the loan program works even half as well as I expect it to the costs in the future will be correspondingly less. With this new tool in mind the committee accepted another suggestion of the minority which would require the Administrator to make an affirmative finding that the goal of a project calling for demolition could not be gained through rehabilitation or some other method of preservation and renewal. This is an additional clear statement of priorities, and hopefully it would require the locality to consider alternative plans rather than whatever is handed them by planners with a bulldozer complex.

Third, a whole new section deals with increased use of code enforcement, another means to lower costs and increase the likelihood of fewer slums and fewer dislocations. The original emphasis on code enforcement and the use of the workable program recertification procedure as a stick for getting local efforts in this direction comes from the minority bill.

I do not believe there is any reason to fear Federal involvement or control—this is, instead, an effort to promote more local responsibility and a lessening of the need for future Federal assistance and involvement.

Attention should be called to the new efforts made to provide relocation assistance to small business, individuals, and families. This is the first time that business has been named in the law as requiring assistance. There is also a

provision providing for quick access to awards for property taken regardless of future administrative or court action. This will allow individuals and businesses to have access to cash they are due without having to saddle themselves with borrowing for relocation or the purchase of a new home or business location. And there have been many instances called to the attention of the committee where there has been hardship in this area over the years during which the urban renewal program has been in effect.

Mr. Chairman, there still remains much to be done in the urban renewal program. We have made use of studies by Brown University for the Small Business Administration and reports from various advisory committees on civil rights.

Mr. Chairman, we believe that this is not a substitute, however, for a full investigation by the appropriate committees of Congress.

Mr. Chairman, in the field of compensation for property acquired we believe that the Housing Subcommittee in the future should pay attention to a report which is expected in the fall from the Special Subcommittee on Public Works.

Mr. Chairman, in the final analysis the success or failure of these new approaches rests with the administration of the program at both the Federal and local levels. I do not believe they will take the intent of Congress lightly. Based upon the number of letters received from areas around this country the administration will have ample opportunity to prove its own sincerity in following the intent of Congress with reference to projects now in the planning stage.

Mr. Chairman, this represents only a 1-year extension of these programs. A review of urban renewal next year will give Congress the opportunity to judge the wisdom of its own efforts and the administration thereof by the executive branch.

For the record, Mr. Chairman, I would like to put in these dollar amounts with respect to the housing bill.

On urban renewal grants there is \$600 million involved for a 1-year program. The original administration bill requested \$1.4 billion for a period of 2 years.

Mr. Chairman, there is \$50 million for rehabilitation loans in the new program. Nothing was requested in the administration bill for this purpose.

Mr. Chairman, for the housing demonstration program there is \$5 million, exactly the amount requested by the administration.

In farm housing loans, where there appears to be considerable demand and where there is a successful program in being, the committee bill provides \$150 million. The administration requested \$100 million.

Mr. Chairman, for farm labor housing the committee bill provides no money. The administration bill provided for \$75 million.

For housing for the elderly there is \$75 million in this program for a continuation of a successful program. The administration bill had no limit.

The urban planning grants carry \$30 million. The administration program had no limit.

For the public works planning advances there is the sum of \$20 million. There was no limit in the administration bill.

For the open space program there is the amount of \$25 million. There was no limit in the administration bill.

For a combined Federal-State training program to train employees of municipalities to understand and work with planning—I am not talking about fellowships and college programs or anything like that, but to train existing employees and those who will be employed by municipalities to understand and to be able to intelligently administer these programs—there is \$10 million. The sum of \$60 million was requested in the administration bill.

So, Mr. Chairman, the total in this bill is \$965 million. The original request was for \$1,790 million.

Mr. Chairman, I believe this is a good bill. I believe it has substantial support throughout the United States. So far as I know this is one of the few housing bills that has come to the floor of the House without a major controversy being involved. At least, it is true to my knowledge right up to this moment.

Mr. Chairman, I urge the passage of this bill. I believe it is in the best interest of our country.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I am happy to yield to the gentleman from Iowa.

(Mr. KYL asked and was given permission to revise and extend his remarks.)

Mr. KYL. Mr. Chairman, I would like to thank the gentleman personally for his very fine statement and for the tremendous effort which he has put forth in trying to remove some of the shortcomings of the program in housing, particularly in the field of urban renewal.

Mr. Chairman, the code enforcement and the rehabilitation sections of H.R. 12175 represent a welcome and long-overdue approach to urban renewal. They were taken from the Republican housing bill.

In "The Legislative Analysis of the Housing Act of 1964," S. 3049, and the Republican housing bill which I cosponsored with our distinguished colleague, the ranking minority member of the House Housing Subcommittee [Mr. WIDNALL], the American Enterprise Institute points out that in the Republican housing bill and the administration bill:

We have two alternatives clearly presented. On the one hand, adherence to the administration proposals would assure continuance of a program largely concerned with relocation of people, demolition of buildings, and rebuilding for occupancy of a more affluent class with land clearance and assembly being financed with the assistance of Federal capital grants. On the other hand, the Widnall bill would be largely concerned with preservation of existing neighborhoods through rehabilitation financed with loans on easy terms made by local agencies from advances by the Federal Government out of a special revolving fund.

The Republican housing bill, providing as it did for code enforcement and

rehabilitation to prevent the spread and recurrence of slums was so appealing and persuasive that these provisions have been included with only minor technical changes in the bill, H.R. 12175, which we are considering today.

That a new approach to urban renewal is needed, and that this is recognized by wide sections of the American people, including the members of the House Housing Subcommittee and the House Banking and Currency Committee, is most dramatically shown by the fact that the bill before us today was voted out of the full Banking and Currency Committee 19 to 1.

The criticism of the Federal urban renewal program has been mounting in recent years. In 1961 when this program was before us it carried by only a few votes.

Barrons had this to say on July 27, in a front-page article, after two earlier articles which studied urban renewal in depth:

In view of its flawed design it could hardly do otherwise. For to cure what is purely a local ill, urban renewal prescribes a Federal remedy. Far from reducing the number of slum dwellers, it has swelled their number. Far from correcting social evils, it has spawned fresh abuses. Most notably it has sought to challenge the wise opinion of Federal Judge E. Barrett Prettyman, that "Government has not an unrestricted power to seize one man's property and sell it to another." Urban renewal is eminent domain—and bureaucratic arrogance—run wild. It's high time Congress called a halt.

There are many things which remain to be done, and Congress and especially the House Housing Subcommittee, should get about the urgent task of investigating the abuses of this program in city after city across the Nation.

Up to now the independent studies are the only ones we have, including the letters which all of us receive, to show how the Federal urban renewal program is working. I would call your attention to this comment by Dr. Basil G. Zimmer, professor of sociology at Brown University, author of an independent study of urban renewal financed by the Small Business Administration. Dr. Zimmer said he felt:

It is a shame—actually almost a disgrace—that the Federal Government would continue to spend millions of dollars on urban renewal without providing significant funds for objective outside appraisals of the consequences of these programs. There are few problems in modern American society more in need of research.

The National Federation of Independent Business, a nationwide organization of small business and professional men, recently polled its entire membership on my Republican housing bill, and my bills on eminent domain. The members overwhelmingly supported my bills providing for full and just compensation. The House housing bill before us today does not provide full and just compensation, for either homeowners or businessmen. How far it falls short of the constitutional guarantees is shown by the splendid work of the Select Subcommittee on Real Property Acquisition of the House Committee on Public Works. This subcommittee, chaired by the gentlemen from Tennessee [Mr. Davis] and the

ranking minority member of which is the gentleman from New York [Mr. ROBISON], has held hearings around the country, two in Tennessee, three in California, one in Boston, and one in Rhode Island.

However, the House Housing Subcommittee, has not held similar hearings at which the people most affected by this program could testify.

Why not? It is certainly needed, as has been repeatedly shown. Chet Huntley said on September 26, 1963, on the NBC-TV network:

Urban renewal for the Negro is really Negro removal, because in every urban renewal project in America there has been almost a total displacement of lower income Negro families. All urban renewal does is redistribute the slum, so that Negro families who were living in slum conditions once they've been cleared out, simply move to either an existing slum in another part of the city or create a new slum in a fringe area.

Chet Huntley added that in Washington, D.C., under urban renewal:

In the last 5 years 13,000 low-income Negro families have been displaced by renewal, and very few have found decent homes.

I was astounded, as I am sure many of you were, by the following statement on page 9 of a letter furnished each Member of this House this week by the District of Columbia Redevelopment Land Agency which, as all of us know, is in charge of urban renewal in the Nation's Capital—surely one of the worst run programs in this Nation. It is this Agency which has built the luxury housing and prime office space in the Southwest Washington urban renewal program and spent \$100 million of the taxpayers money in the process.

I now quote from this letter which was signed by Neville Miller, Chairman:

Even though it is essential that the public housing program be expanded to provide units for eligible families who otherwise must continue to occupy unsatisfactory housing, we do not believe that social progress would be achieved by adoption of a policy of deferring urban renewal projects and other governmental activities until all families eligible for a publicly owned dwelling unit have been relocated into either a public housing unit or a satisfactory, privately owned unit. Such a policy would not assure relocation of those on the waiting list but would halt all urban renewal activity.

This is the Agency, however, which was highly critical of the plank in the Republican platform on urban renewal which declares that:

Under housing and urban renewal programs, notably in the Nation's Capital, it has created new slums by forcing the poor from their homes to make room for luxury apartments, while neglecting the vital need for adequate relocation assistance.

It is clear that this Agency has an answer for every occasion, just as do the Federal urban renewal officials, particularly William L. Slayton, the Federal Urban Renewal Commissioner.

The Joint Economic Committee of the Congress, in its 1964 Joint Economic Report, states that:

State and local governments have failed to make maximum use of the enormous potential inherent in the property tax for either the prevention or the cure of poor

housing and other blight conditions. In fact, since the tax is based on the value of land and improvements, those who permit their property to deteriorate, reducing area property values, are rewarded with lower property taxes. Landlords who enhance the value of their property have their assessments raised.

The Joint Economic Committee added that:

We do not undertake to suggest what would be a proper method for a State or local community to tax the property of its citizens. We do recommend, however, that a model, uniform property tax code be drafted which would encourage, rather than discourage, the best economic uses of land.

In conclusion, I would simply like to note that it is becoming increasingly clear that the Federal urban renewal program is in urgent need of far-reaching reforms.

This bill, H.R. 12175, is a major step in the direction of reform, particularly in its code enforcement, relocation, and rehabilitation sections which are greatly indebted to the Republican housing bill.

I think it is most deplorable that we have tended to look to the Federal Government for help in renewing our cities. In looking to the Federal Government, we have neglected to do what we could do at the local level of government.

Too many cities have not taken action to renew themselves, too many have failed to enforce housing codes, and to provide the entirely proper and necessary tax incentives for the private property owner.

For too long our cities have been bound by traditional tax policies which have, first, created slums, and second, perpetuated them by making them more profitable than standard real property.

Mr. ROBISON. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from New York.

Mr. ROBISON. I would like to commend my friend from New Jersey, Mr. Chairman, for the leadership which he has brought to this field to help the cause of housing. He really defined the purposes of the urban renewal program, and especially those sections relating to relocation.

The gentleman mentioned the Select Committee on Land Acquisition Problems in the Committee on Public Works, and I am glad to hear him say that because, as a ranking member of the committee under the leadership of the gentleman from Tennessee [Mr. DAVIS], we have had an opportunity to contribute something in this area. I think the gentleman is aware of the hearings we have held in this field.

Mr. WIDNALL. I thank the gentleman for his contribution.

Mr. ROBISON. Just one other comment. I have no objection to these improvement liberalizations and relocation payments. I think they are good. The only thing I would suggest is that we are putting another patch in the patchwork quilt on this sort of approach to supplementing payments to the fair market value approach. Is it not correct to say that the bill that passed the House recently and is now law actually carries the urban renewal and relocation provi-

sion, and insofar as these provisions are concerned it is already obsolete?

Mr. WIDNALL. That is true, but there would be no duplication of payments involved.

Mr. ROBISON. I understand that. The point I am trying to make is that when this select committee makes its full report we hope it will bring together some uniformity of treatment because this has been so unfair to our citizens and so many are affected by this urban program.

Mr. FARBSTAIN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from New York.

Mr. FARBSTAIN. I wonder whether the gentleman could tell me if this bill carries any restrictions insofar as the type of rental and cooperative housing is concerned under urban renewal?

Is this restricted to low- and middle-income rental and cooperative housing, or does this also include all types of housing, and by that I mean low, middle, and luxury housing.

Mr. WIDNALL. To the best of my knowledge this does not restrict the present operations. It has improved in many areas of existing law.

Mr. FARBSTAIN. Does the gentleman feel provision should be made in this bill for luxury housing, that the Federal Government should help support by FHA insurance or other means the building of luxury cooperatives or luxury rental houses?

Mr. WIDNALL. There is a clause in the bill that refers to the single-family house which would insure the amounts that can be insured through FHA. I would remind the gentleman that the FHA program has been a profitable program, it has resulted in no cost to the taxpayers of the United States. There is in the insurance fund over \$1 billion, and there is a need—at least, it was demonstrated to the committee—for the ability to insure some higher priced housing in the field. This does not involve Government funds.

Mr. FARBSTAIN. Does the gentleman feel that a housing bill of this nature should make provision of any kind for luxury housing? Does not the gentleman feel that private enterprise is well able to take care of the building of luxury houses, whether it is a private apartment rental building, or cooperative, or homes of any kind?

Mr. WIDNALL. The best answer to that is that the committee felt in recent years the cost of construction has materially increased, both the material cost and land cost, to the point where the limit should be increased to give recognition to these costs. I do not think there was any intent on the part of the members of the committee on either side of the aisle to provide for luxury housing, but there is a recognition of increased costs. This is particularly true in the urban areas of some of the great metropolitan cities where land costs are very high today, and also the cost of construction.

Mr. FARBSTAIN. As a matter of policy, does the gentleman take the position in connection with luxury housing in

apartment buildings, that the Government should become involved?

Mr. WIDNALL. May I say to the gentleman I certainly feel we should help those in the low- and middle-income brackets. There is no priority given to this. It will provide jobs, it will maintain jobs in some of the high-cost areas.

I know in my own particular congressional district the laboring man there is probably the highest paid construction worker in the housing field in the United States, and the cost has gone up materially in that area.

Mr. MULTER. The FHA insurance program does not insure the luxury house, either rented or sold, as 1-, 2-, 3-, or 4-family units. On the other hand, in the renewal program, if the local plan is adopted by the community and approved by the housing agency as contemplated, low-income housing, middle-income housing, and luxury housing are part of the overall trend. In some instances the housing agency has approved that kind of plan. I think that is what the gentleman from New York was referring to. There have been some abuses where apartment houses only have been able to acquire at low cost some of the property acquired to aid slum clearance apartment property. To the extent that some luxury housing does come under the urban renewal plan, I think it is sold off as fast as possible. They are not to operate luxury housing.

Mr. FARBSTAIN. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from New York.

Mr. FARBSTAIN. Does not the gentleman feel that as a matter of policy any urban renewal building of any nature or description should be restricted to the lower-income housing? Those abuses the gentleman and I know have taken place in the past in this connection.

Mr. MULTER. Let me say to the gentleman from New York that is only by violating the clear intent that has been written into the housing laws all the years as part of the preamble from the beginning. It is a violation of that intent to encourage luxury housing as part of these plans. If it is a small part of it, it has a proper place, but there have been too many abuses, they have gotten too much help out of this program. To that extent, I think the agency should stop that from happening. The present intent of the report and the legislation itself is to create more housing for the masses, the middle-income housing and low-income housing.

Mr. PELLY. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Washington.

Mr. PELLY. I think the gentleman as well as the House know my constituents have had cause for complaint in regard to the attitude taken in connection with appraisals when they are dislocated by urban renewal projects. I have spoken to the gentleman because of the fact that these individuals do not receive enough money to acquire comparable housing elsewhere. I had hoped maybe the com-

mittee would see fit to send their subcommittee around to the areas, such as I have mentioned to look into this matter, because I think it is serious.

Mr. WIDNALL. I know the gentleman has called this to my attention and undoubtedly other Members of the House. This is being suggested for investigation by the subcommittee.

Mr. PELLY. There are some areas where a newspaper article came out and said these people are bulldozing human rights, and that is certainly the way the people feel.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman.

Mr. GROSS. I seem to get the impression from the colloquy between the gentleman from New York [Mr. FARBSTAIN] and the gentleman from New York [Mr. MULTER] that the abuses of the luxury housing fund are in New York, that is the city of New York probably. I wonder if this could be true and if that is where most of the violations have taken place?

Mr. WIDNALL. I think in all fairness this has happened in a great many areas throughout the United States. There have been some in New York, I believe, and some right here in Washington, D.C., which you can see as you look out your window.

Mr. GROSS. Then this is more general than I supposed. Would the gentleman expand on that a little as to how much of these funds are going for luxury apartments and luxury housing?

Mr. WIDNALL. The urban renewal funds in this bill do not go to builders to build the buildings. The funds do go to acquire property which is sold to the developers. In that way there can be a subsidy for luxury housing which should not be, and I think I agree with the purpose of the gentleman asking the question—I think we should get back to the original conception of the urban renewal effort on clearing slums and helping those who live in the slums to have a decent home environment and to have a decent home.

Mr. GROSS. The trouble with this is in New York and Washington principally? Is this the way it has been operating?

Mr. WIDNALL. No, there are areas in which this has taken place and the law is so written that it can take place.

Mr. GROSS. But not in New Jersey or Iowa?

Mr. WIDNALL. It is in the law so that it can be done, but it is not the intent of the Congress.

Mr. GROSS. But this is not taking place in New Jersey or Iowa? Is that correct?

Mr. PIRNIE. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman.

Mr. PIRNIE. I would like first to compliment the gentleman and the committee for this bill and take this time to inquire as to the provision of housing for the elderly. Could the gentleman comment as to the extent of the

demand there is for such financing and whether the provision included in this bill is in the opinion of the gentleman adequate?

Mr. WIDNALL. I do not have the figures with me. Perhaps the gentleman from Alabama [Mr. RAINS] or another member of the subcommittee has the figures, but I will obtain the figures later and before we act on this bill, I will answer the gentleman's question in connection with that.

Mr. PIRNIE. I thank the gentleman.

Mr. WIDNALL. I feel that this is a program for which there is a great demand. It seems to be operating satisfactorily at the present time at least, so far as our committee as a subcommittee has been able to find in studying the program.

Mr. PIRNIE. In other words, the demand is being met through this source?

Mr. WIDNALL. The present demand, yes, I believe.

Mr. PIRNIE. That is, the demand as of the present time. I thank the gentleman for the information.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Chairman, I want to take this opportunity to associate myself with the remarks of the gentleman now addressing the Committee of the Whole in the well of the House for his splendid commendation of our retiring chairman.

Mr. Chairman, the bill which we worked out in the Housing Subcommittee and which is now before us is a sound bill and has my wholehearted support. Of course, I will be frank to say that I had hoped that we could include a larger authorization for the urban renewal program and a larger number of low-rent public housing units. However, we had to reckon with the fact that it was late in the session and it was necessary to work out the best bill we could, as quickly as possible. This bill will carry all of our vital programs for housing, urban renewal, and community development for the year to come and, as we all know, there will be major housing legislation next spring.

While this bill does not go as far as some of us would like, it is by no means simply a "barebones" bill. In addition, to the \$600 million authorization for the urban renewal program and the 35,000 new units of public housing, it makes a considerable number of improvements in the housing field. I am particularly pleased that it makes some meaningful progress toward easing the burden on people displaced by urban renewal and other government programs. It does this by providing that a displaced family will have its rent paid for the first 3 months in the new quarters. This will help them get a good start in better housing. Also, displaced small business firms will receive an outright payment of \$1,000 in addition to present moving expense payments to help them get a new start.

The bill also has a very valuable provision to help handicapped people. In general, the handicapped would get the

same special provisions under existing programs which are now available to the elderly. This includes the low-interest direct loans for rental and cooperative housing.

The provisions of this bill will help cities throughout the country and I know that Philadelphia will benefit greatly. The urban renewal program, along with the mass transit program enacted earlier this year, can contribute much toward making Philadelphia an ever better place to live and work.

In Philadelphia, blight that was threatening to engulf large sections of the city has been arrested, and a program launched to rehabilitate these areas. Hopeless slums have come down. New buildings—residential, business, and commercial—are rising on the cleared sites. In deteriorating neighborhoods where rehabilitation is feasible, old but sound structures have been upgraded and general neighborhood improvements instituted. Historic landmarks have been restored.

These activities have all given new life and beauty to the city. And areas and neighborhoods which paid little in taxes, have been turned into tax assets. Mayor Tate recently reported that the increase in tax ratables through urban renewal exceeds the assessments removed through redevelopment activity.

As we know, communities that participate in the Federal aid programs make substantial contributions toward their cost. But private enterprise and local government cannot finance the job by themselves. Federal financial aid is essential.

We have made progress, but there is still much to be done—in Philadelphia and in the other cities of the Nation. Millions of people still live in slums. Millions live in housing that is inadequate. Over a half million families need decent low-rent housing. In summary, we have still to redeem the 1949 Housing Act pledge of "a decent home in a decent neighborhood for every American family." This 1964 Housing Act is another step toward the redemption of that pledge. I earnestly urge its enactment.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Texas.

Mr. DOWDY. In regard to some of the questions asked a while ago, and I have forgotten just who asked the questions, but right here in the District of Columbia about which I have more information than about other areas, thus far in 14 or 15 years under the urban renewal program there has not yet been built under the urban renewal program a single unit of low-cost or middle-income housing. I thought that information might be of interest. I have a great number of letters in my office for any gentleman in the house who cares to see them, and I have some from the gentleman's own State. I have some from every State in the Union including New Jersey about what people think about the urban renewal program in their areas. I would be glad for them to see any of these statements that the gentleman wishes to see.

Mr. WIDNALL. In conclusion, I would like to remind the Members that this bill does not include District of Columbia urban renewal. That is handled through the District of Columbia Committee. It does not come out of our committee.

Mr. BETTS. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from Ohio.

(Mrs. FRANCES P. BOLTON (at the request of Mr. BETTS) was given permission to extend her remarks at this point in the RECORD.)

Mrs. FRANCIS P. BOLTON. Mr. Chairman, as you and other Members of the House know, I have always supported legislation that would bring improved housing to the people of our country. I am particularly interested in the bill that is before the House today, and want to state that if I were present I would vote for this housing bill. I deeply regret that unforeseen circumstances make it necessary for me to be out of Washington when this vote is taken.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the distinguished majority leader of the House, the gentleman from Oklahoma, the Honorable CARL ALBERT.

(Mr. ALBERT asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Chairman, I rise in support of this bill.

This is legislation of a high order of importance. It comes to us as a bipartisan measure, the result of intensive study by the Subcommittee on Housing of all phases of the Government's role in housing and community development. It is my understanding that it was approved by the subcommittee unanimously, and by the full Banking and Currency with only one dissenting vote.

This is an omnibus bill in the sense that it deals in comprehensive fashion with programs of housing, urban renewal and planning, and community facilities. It is nevertheless a moderate bill in that it is addressed to the needs of only a 12-month period. It is mainly concerned with the improvement of programs previously authorized.

Though moderate and limited, the Housing Act of 1964 is nevertheless essential to the vital interests of our people and our communities. A number of our most important programs in the field of urban renewal and housing cannot go forward without the additional authorizations provided in this legislation. Once given this extension, they can proceed with still greater effectiveness than in the past.

At this time I wish to express my admiration for the remarkable cooperation among both majority and minority members of the Banking and Currency Committee in developing this legislation. The distinguished chairman of the subcommittee the gentleman from Alabama [Mr. RAINS] is recognized as a foremost authority in the subject matter of this bill. He is no less recognized for his expertise than for his fairmindedness and diplomacy.

The ranking minority members, the gentleman from New Jersey [Mr. WID-

NALL], abjuring partisanship, has provided statesmanlike leadership in seeking a consensus in support of a sound bill to present to this body. We all know also the deep interest which the distinguished chairman of the Banking and Currency Committee, the gentleman from Texas [Mr. PATMAN] has taken in this field of legislation over many, many years. This bill is still further evidence of the quality of his leadership.

To those who might wish that this bill were bolder in its innovations and dealt more directly with some of the great predictable problems of the future, I say that these things should come at their proper time. We are dealing now with the problems of today and the immediate future. The broader measures that have been proposed for some of the great emerging problems have not been rejected and will not be forgotten. It is a safe prediction that this body, next year and in the years to come, will be asked to do all those things which need to be done to enable our Federal Government to discharge its responsibilities in the housing and urban field.

The bill's major features are as follows:

Title I of the bill would permit lower down payments and higher mortgage amounts on FHA sales housing and would provide additional protection against foreclosure for FHA homeowners.

Title II would authorize additional funds for low interest direct loans for rental housing for the elderly, and would provide new housing aids for the handicapped.

Title III would, first, authorize an additional \$600 million for grants under the urban renewal program; second, tighten the urban renewal program requirements to encourage more rehabilitation and code enforcement; third, provide a new program of rehabilitation loans to aid homeowners and business in urban renewal areas to improve their properties; and fourth, tighten relocation requirements and provide additional relocation benefits to displaced businesses, non-profit organizations, individuals, and families.

Title IV would authorize 35,000 additional units of low-rent public housing.

Title V would authorize an additional \$150 million for direct loans under the rural housing program administered by the Farmers Home Administration.

Title VI would authorize a limited grant program to encourage on-the-job training and short-term courses of instruction to provide the skills needed for local administration of urban programs.

Title VII would provide an additional \$20 million for the public works planning advance program.

Title VIII would broaden the investment authority of savings and loan associations.

Title IX would provide an additional \$25 million for grants for the open space—parks and playgrounds—program.

I must comment on one saddening aspect of the task before us today. This is the last such bill that will be brought to us through the efforts of the present

great chairman of the Housing Subcommittee. His leadership in the field of housing and urban legislation has resulted in the enactment of some of the most significant domestic legislation in the history of the United States. In this body he is the recognized authority on the subject, having been a member of the Banking and Currency Committee since 1945 and chairman of its Subcommittee on Housing since 1955. During almost every year since he became a member of the Banking and Currency Committee, comprehensive legislation has been enacted covering the many aspects of housing and home financing. An omnibus housing bill was enacted each year from 1948 through 1959. A major comprehensive housing bill was enacted in 1961, a Senior Citizens Housing Act was enacted in 1962, and the Urban Mass Transportation Act of 1964 was enacted last month. The gentleman from Alabama has dealt with the needs of both rural and urban dwellers throughout the Nation, and with the needs of our cities for community facilities, urban renewal, planning and housing for low-income families. In addition to his important role in early legislation, beginning with the Housing Act of 1955 the gentleman's subcommittee handled all of the large and complex housing bills, and he personally managed each of these bills, save one, on the floor. The modern day demand for new Federal housing programs—student and faculty housing on college campuses, housing for the elderly, those displaced by governmental action, and other moderate-income families requiring special financial measures to bring housing within their means, all have been handled by the able and dedicated gentleman from Alabama. His loss after so many years of extraordinary service to the people of his State and to the Nation is a loss we can hardly sustain. It is typical of his entire career that the bill he brings us now is one of such constructive purpose and of such high technical quality, thoroughly considered, and enjoying broad bipartisan support. The gentleman from Alabama is one of the great Americans of our generation. He is truly one of the great Congressmen of all time.

Mr. HOLIFIELD. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Ninety-one Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

| [Roll No. 223] | | |
|----------------|---------------|----------------|
| Alger | Glaimo | Lesinski |
| Auchincloss | Gill | Lloyd |
| Baring | Griffin | Mailliard |
| Bolton, | Hagan, Ga. | Mathias |
| Frances P. | Haley | Miller, N.Y. |
| Buckley | Hanna | Morrison |
| Burton, Utah | Harsha | Nedzi |
| Cameron | Harvey, Mich. | Olson, Minn. |
| Cohelan | Hays | Passman |
| Cooley | Healey | Pillion |
| Davis, Tenn. | Hébert | Powell |
| Diggs | Hoffman | Rivers, Alaska |
| Dingell | Jones, Ala. | Ryan, Mich. |
| Edwards | King, Calif. | Scott |
| Evins | Landrum | Selden |
| Flynt | Lankford | Senner |

Sheppard
Shipley
Springer
Staebler

Teague, Tex.
Thompson, La.
Toll
Willis

Wilson,
Charles H.
Winstead

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. KEOGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 12175, and finding itself without a quorum, he had directed the roll to be called, when 373 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey.

Mr. WIDNALL. Mr. Chairman, at this time may I yield such time as she may require to the gentlewoman from New Jersey [Mrs. DWYER].

Mrs. DWYER. Mr. Chairman, the Housing Act of 1964 is legislation which deserves the support of all our colleagues, on both sides of the aisle. It is a modest bill but a highly constructive one. It would provide new life and funds for a number of very important housing programs but it would also adopt significant reforms, especially in the urban renewal program.

It is a product of compromise in the best sense of the word—the adjustment of differences between responsible legislators who want to continue and improve government programs of great importance to people and to the economy. A measure of the success of this compromise effort is the fact that the Housing Subcommittee reported the bill to the full Banking and Currency Committee without a single dissenting vote while the full committee reported the bill favorably by a vote of 18 to 1 with 4 members voting present.

Major credit for this achievement must be shared by the chairman and ranking minority member of the Housing Subcommittee, the gentleman from Alabama, Congressman RAINS, and the gentleman from New Jersey, Congressman WIDNALL, respectively, who are chiefly responsible for producing the compromise bill. As a member of the subcommittee and a co-sponsor with the gentleman from New Jersey, Congressman WIDNALL, of the Republican housing bill, I am especially pleased that the compromise bill contains several important features of our earlier bill.

The committee bill is notable, too, Mr. Chairman, for what it has left out. It was the committee's judgment—in light of the questions raised during the hearings and the absence of totally convincing testimony—that several new administration proposals should be omitted from this year's bill. These included the proposal for a new FHA insurance program for subdivision development and the development of new satellite communities.

In addition to the extension of existing programs and the authorization of necessary new funds, generally for a 1-year period, the committee bill includes several provisions of special interest or

importance. For example, the bill would increase the dollar limits on the amounts of home mortgages insured by the FHA, thus reflecting the higher average cost of home building and the increasing number of people buying houses for growing families and in higher cost areas. It would also encourage the private rehabilitation of older residential areas by liberalizing the standards by which the FHA determines whether to insure home improvement loans. Under existing standards, insured home improvement loans in the so-called gray areas of a community are virtually impossible to obtain—an ironic situation which helps defeat the supposed objectives of our overall housing program and serves only to assure further need for public urban renewal activities.

The committee has taken a significant further step, Mr. Chairman, in its continuing effort to reduce the number of foreclosures on FHA-insured mortgages and help people save their homes when temporary misfortune causes them to default on their mortgage payments. In 1959, our committee encouraged lenders to hold off foreclosure in worthy cases by assuring them that they would not lose interest on defaulted payments, and we authorized the Commissioner of the FHA to acquire mortgages as a last resort when lenders refused to cooperate in avoiding foreclosures. The pending bill move further in this direction by providing additional authority to the FHA Commissioner to protect the interests of lenders when they agree to exercise forbearance and to provide assistance to mortgagors who want to save their homes but are faced with foreclosure through no fault of their own.

One of the most successful programs in the field of housing has been housing for the elderly, including the program of direct loans to private nonprofit corporations and consumer cooperatives to provide housing for older persons who are ineligible for public housing but unable to afford decent housing in the local private market. Since the existing \$275 million authorization for the revolving fund will shortly be exhausted, this bill would authorize an additional \$75 million for loan purposes and thus would keep the program alive until Congress can review the situation again next year.

In the related section 221 program, the committee proposes to make individual elderly persons who are 62 or older eligible to occupy or purchase special low-interest FHA-insured housing, providing they meet the same low- or moderate-income qualifications which apply to families under the present law.

The committee bill would also broaden the existing housing for the elderly programs to include the same types of assistance for handicapped families or individuals whose impairments substantially impede their ability to live independently and for whom more suitable housing would improve their ability to live independently. The situation of handicapped persons is very similar to that of elderly persons and the demonstrated success of the housing programs in question in meeting the particular

needs of older people strongly suggests they would serve equally well the needs of the handicapped.

Of all its features, Mr. Chairman, this bill's urban renewal provisions may be of the greatest consequence. Few would disagree with the basic purpose of the slum clearance and urban renewal program—that is, to help our centers of population wipe out the slums that breed disease and delinquency and perpetuate poverty, and to help restore cities as decent places in which to live and work. But in the view of many of us, the actual functioning of urban renewal has too often departed from its fundamental objectives.

We have strongly criticized the over-reliance on bulldozer techniques as opposed to more selective clearance and greater emphasis on rehabilitation of existing structures. We have objected to the replacement of residential housing with high-cost commercial construction which has tended to create new slum conditions elsewhere and magnify problems of dislocation. We have expressed concern at the sometimes inadequate arrangements for helping the people and small businesses who are displaced by urban renewal. And, in general, we have insisted that the human element in urban renewal should not be sacrificed to business and economic considerations.

Many of our criticisms and objectives were reduced to legislative form when minority members of the Housing Subcommittee introduced our alternative bill, shortly before the administration sent its recommended legislation to the Congress. The subcommittee's earlier investigation of the urban renewal program and the testimony we received during hearings on the housing bill confirmed the validity of our approach and demonstrated the need for the reforms we proposed. In reporting out the present compromise bill, Mr. Chairman, the full committee has, in effect, agreed with its minority's position and a number of our recommendations are included in the bill.

Among them, the bill would prohibit approval of an urban renewal project involving the demolition or removal of buildings unless the Administrator of HHFA determines that the objectives of the urban renewal plan could not be achieved. As the committee report points out:

Extensive clearance and redevelopment of an urban renewal area should not be undertaken unless it is clear that the objectives of the urban renewal plan cannot be achieved by less costly and less drastic procedures.

We trust that the Administrator, in implementing this provision, will take an active interest in encouraging greater use of rehabilitation in urban renewal project areas and refuse to make the new requirement a merely token one.

In a related provision, the committee has given real substance to the minority's insistence on greater use of rehabilitation by authorizing a new program of low-interest loans to owners and tenants of residences or business property in urban renewal areas to help finance the rehabilitation required for code enforce-

ment purposes or for conformity with the urban renewal plan. Rehabilitation has long been recognized as one of the potentially most valuable tools in helping to make our communities more livable. This provision of our bill will help make the financing of rehabilitation—which has been the great stumbling block—a great deal more practicable, and therefore make an important contribution toward saving property which otherwise would deteriorate into hopeless slums.

Another provision of the bill would authorize the Administrator to offer local governments technical and professional assistance in the development of self-help programs including self-liquidating redevelopment projects and rehabilitation projects which involve no Federal financial assistance. Here, too, energetic and imaginative leadership on the part of the Administrator could transform the new authority into a really effective and creative device, not to speak of an economical one.

In the same vein, the committee bill would authorize a new kind of urban renewal project, one which would consist entirely or substantially of intensive code enforcement in an urban renewal area. This would be preventive urban renewal of the most constructive sort, designed to prevent slums and blight before deterioration has had an opportunity to take hold in an area. The committee, in its report, has made its intention perfectly clear by stating its expectation that the Administrator will see that the code enforcement effort is, in effect, proportionate to the effort for clearance and redevelopment or for rehabilitation and conservation projects.

Taken together, Mr. Chairman, these several reform provisions should help make possible in the future a substantial reduction in the need for urban renewal capital grant funds to carry out expensive slum clearance projects. The old aphorism that an ounce of prevention is worth a pound of cure is particularly true in the area of urban renewal.

In a related matter, the committee also endorsed the position of its minority by refusing to accept an administration recommendation that the proportion of capital grant funds which can be used for nonresidential urban renewal projects be increased from the present 30 percent to 35 percent. The committee has thus made it clear it intends that the urban renewal program be employed primarily for purposes of improving residential opportunities in our communities.

One of the most constructive aspects of this bill, Mr. Chairman, is the attention it gives to the problems of people, including owners, tenants, and small businessmen who are displaced by urban renewal projects. The bill would increase relocation payments to a more realistic level and would insure that adequate housing for displacees is made available and that effective assistance is provided families and individuals in finding such housing. These provisions implement the concern many of us have expressed at the frequent examples of serious hardship resulting from displacement.

I also want to mention, Mr. Chairman, that the bill includes a provision which I have proposed, in carrying out a recommendation of the Advisory Commission on Intergovernmental Relations, that all counties, regardless of population, be made eligible for urban planning assistance under section 701 of the Housing Act.

At present, the law restricts such assistance to counties with a population of 50,000 or less, and experience has shown that this has deprived suburban areas in particular of the help they need to meet their serious planning needs.

I have mentioned these several provisions in the housing bill to indicate my conviction that the real significance of this legislation lies not so much in the extension of existing housing programs but rather in the attention it gives to the need for reforming the programs in light of the convincing experience we have had. This bill will make our housing programs more humane and more effective and place much greater emphasis on prevention of slums and blight than has ever been the case before. We can expect important dividends as a result.

Mr. WIDNALL. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. OLIVER P. BOLTON].

(Mr. OLIVER P. BOLTON asked and was given permission to revise and extend his remarks.)

Mr. OLIVER P. BOLTON. Mr. Chairman and members of the Committee, in beginning my remarks may I join with our other colleagues in paying tribute to the distinguished gentleman from Alabama [Mr. RAINS]. It has not been my privilege to serve on the Housing Subcommittee, but in all dealings that I have had with him in committee, he has not only been courteous to me, but he has been considerate, has gone out of his way not only to explain the reasons behind the propositions we were considering but to work with me and with other members in the committee in solving the problems that bothered us about various pieces of legislation which came before the committee.

His leadership and his knowledge will be greatly missed by all Members of this House, but particularly by the members of the Committee on Banking and Currency. But may I say in addition to that that the Members who are here next year, and thereafter, will miss not only that knowledge but also the man himself for the friendship and character that he has brought to all his work here in the House of Representatives.

May I say that there will be some in this body who will, perhaps, be surprised to hear me say I am in support of this bill. If they remember the argument and the discussions which we had on the mass transit bill, I pointed out very clearly that I did not believe that many of the problems which we were handling not only in this bill but also in the mass transit bill should have the priorities and the financing and the direction of them set at the Federal level; that it was the responsibility of the Federal Government to make sure that the States and local governments had the funds—and, yes, the incentive—to take

care of these programs; but that the priorities and planning for a direction of them should be done at a local level.

Nevertheless, I do agree with the objective of many of the things this bill tries to accomplish and that many of the programs deal with problems which we need to tackle in this country. Therefore, inasmuch as it is not within my ability to change the mechanics or the way in which this program is organized and financed, and because these programs are in existence and have accomplished much and they would die if the bill is not enacted, I find myself in support of it.

Nevertheless, there are certain sections of the legislation which I should like to call to the Committee's attention, and I shall offer an amendment under the 5-minute rule to change one section.

What would that amendment do? I point out to the Committee that under the bill as it is written the Federal Housing Agency and its power to insure loans and mortgages will cease as of October 1 next year. After that date it would be unable to make further commitments for loan guarantees unless this House enacts an additional housing bill prior to that time, or takes some legislative action.

I point out to the members of the Committee the serious situation which this is going to create in the housing industry. As my letter to each Member of the House indicated, the financing of the housing business must be done ahead of time. Those companies which are engaged in the loaning business in the real estate field must plan their commitments well in advance.

It may be said to me that the FHA has been in existence for many years, that certainly this Congress will renew its authority, that certainly this Congress wants the FHA program, and that next year Congress will renew the authority and extend it beyond next October; but I ask any Member of this House, "Can you say, assuredly, that this House will consider a housing bill before next October?" If we look at the history of housing bills, they have generally come up at the end of a session. In addition, as has been indicated in the colloquy here up to this point, there are points under the housing bill which members of the Housing Subcommittee desire to investigate in the field.

This will take time and that time will work against a timely extension of FHA. I say to you that no loaning institution can commit funds beyond October 1 or plan upon committing funds beyond October 1, because they cannot be sure, legally sure, that they will be able to insure any such program.

Let me point out to you that if you are thinking in terms of multifamily programs or large programs asking for insurance, it will be impossible to start any program after the spring of the year and to start planning on it, because time will not permit to get a commitment and to get the plans approved and the planning done and then get an FHA commitment before the 1st of October.

I say to you it is my opinion that if we are going to continue the FHA program in a sensible, even way, if we do not wish to create a crisis in the housing business, then this is the time for action. Do not wait until next year. Why? Again because of the time lag, because of the necessary planning ahead and the commitments ahead that must be made, and planning on applying for FHA guarantees that must be made.

Let me say this: What does the amendment do? It adopts the language which this House adopted in the 1961 housing bill, which was recommended by the Subcommittee on Housing, which came to this House and was adopted by this House and then was stricken in conference and changed for a date which was then 4 years ahead. What does it do? In effect it creates a rollover, setting as October 1 the dollar limit of commitment which FHA can make and thereafter permitting FHA to make further guarantees only as their commitments are either canceled or paid back.

The question has been raised does this take the program out of the control of the Congress? No, it does not. Why? First, because the Committee on Appropriations appropriates the funds for the running of this program every year. Does it take control out of the authorizing committee, the Committee on Banking and Currency? No, it does not. Why? All it says is that we in the Congress want FHA to continue, that we in the Congress do not want to do anything at this time with private housing on a decline to create a situation which could well cause a crisis in the housing business next year. No, it does not take it out of the purview of the Committee on Banking and Currency, but, rather, it merely says to the industry this is going to continue; and if we wish to expand it, if we wish to change it, this is always within the purview of the committee and can be handled if the housing bill is passed next year.

Mr. O'HARA of Michigan. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN (Mr. Bass). The Chair will count. [After counting.] One hundred and twenty-two Members are present, a quorum.

Mr. OLIVER P. BOLTON. The point has also been made about this amendment that this in actuality is a 1-year bill, a 1-year continuation, and therefore why not just have a cutoff date for FHA, too, which would be continued in the housing bill?

I would point out that this bill does not cut off urban renewal or public housing operations at the end of the year. It does put a time limit on expenditures. It does not, however, put a time limit on the taking of applications, the processing of applications, or the setting of priorities of applications pending the grant of further funds by the Congress.

I urge serious consideration of this amendment. Let us not let FHA down now.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. MULTER].

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. MULTER. Mr. Chairman, I shall not presume upon the time of the Members to elaborate upon the already detailed explanations that have been made on this housing bill that is before us. I think the bill is a good bill, as you have already heard. I think the House will adopt the committee's recommendations and pass it.

I do want to take time, however, to re-emphasize some of the things that have been said about our very distinguished colleague, the gentleman from Alabama [Mr. RAINS]. I believe that this piece of legislation, H.R. 12175, will be one more legislative monument to a truly great statesman. This is a man who is a gentleman in every possible interpretation of the word; a great scholar, a diplomat, and a legislator who will long be remembered in this House.

When I first came to the House in 1947 he was already a senior member of the Banking and Currency Committee which I joined that year. But more than a senior member, he was a top member, so far as the respect and esteem of his colleagues was concerned, not only on the committee but in all of the House.

I dare say that there is more than one very good piece of legislation that would have been lost in committee and on the floor were it not for the statesmanship of this great man. He has done a yeoman-like job in all these undertakings, with respect for all views, no matter how strongly he might have differed with them. He reconciled differences of opinion that seem irreconcilable. He will be sorely missed by his colleagues on the committee and in the House.

I want to echo all that has been said by the Members who have preceded me and by our distinguished majority leader.

ALBERT, you will be sorely missed here. We wish you well in all that you undertake in the years ahead and we know what you have done in your years of service will always be a landmark to those who will try to follow, as good legislators do, your fine example in representing not only their constituents but the entire country in bringing to it the finest legislation that we in the Congress can give to them.

Mr. WIDNALL. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. KILBURN].

(Mr. KILBURN asked and was given permission to revise and extend his remarks.)

Mr. KILBURN. Mr. Chairman, I would just like to say first that I cannot take the time to tell the House what I think of the gentleman from Alabama, AL RAINS. We all know about him. He happens to be not just an esteemed colleague but a very close friend of mine.

Mr. Chairman, in my opinion the amendment which will be offered by the gentleman from Ohio [Mr. OLIVER P. BOLTON] is a good one. I just want to take a minute to tell the committee that I am going to vote against the bill. I voted against the bill in the committee.

Mr. Chairman, I do believe that the subcommittee tried its best to draft a good bill and to bring it to the floor of the House. I believe it has done a better job in this instance than it did in the past on some of the big bills that have come out. Nevertheless, it does have a great many grants on urban renewal and it has 35,000 units of public housing. For that reason I am going to vote against the bill.

Mr. WIDNALL. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. McDADE].

(Mr. McDADE asked and was given permission to revise and extend his remarks.)

Mr. McDADE. Mr. Chairman, I am happy to rise in support of this bill and to urge its passage.

Mr. Chairman, before commenting on the bill I should like to express my appreciation for the privilege of having worked with the distinguished and able gentleman from Alabama [Mr. RAINS], chairman of the Subcommittee on Housing, during the past 2 years. His retirement will be a loss to the Congress and the Nation, yet no man will quarrel with his decision to seek a few hours of leisure away from public pressure in view of the tremendous service which he has rendered.

The bill before us today represents conscientious effort on the part of all members on the Housing Subcommittee, Republicans and Democrats alike, to generate a meaningful new Housing Act. So much time has been spent in the discussion of this bill and so much achieved by way of a temperate and unemotional view of its provisions that I am proud to support all nine titles.

Certain sections of the bill I think are worthy of your special attention. Under a provision in title I of the bill an amendment would be inserted to modify all the present FHA multifamily programs. This is done for purposes of substituting the present "dollar limit per room" on the maximum amount of an insured mortgage. A new concept based on the number of family units in the project with dollar limit on the units varying with the number of bedrooms in each unit would be substituted.

Under the old room count standard, the legislation placed the emphasis on an architect's plans which would include the largest number of rooms to obtain the highest possible mortgage amount. This resulted in the obvious distortion of seeking only to have the highest number of rooms whether they be needed or not. In this change in the legislation we see a shift in emphasis to insure the development of more livable family units without regard to artificial and oftentimes confusing standards. Additionally, title I amends section 203(k) of the National Housing Act. This section provided an FHA insurance program for home improvement loans for properties located outside urban renewal areas. Its purpose was and is enabling the homeowner to make an improvement to his property without refinancing his existing mortgage. This more feasible method of financing is to prevent the onset of decay or blight in a neighborhood which might

well result otherwise in the necessity of a complete urban renewal project.

Under the act of 1961 however, the Commissioner had to determine that the property to be improved was economically sound. The standard used here is the same standard which a property in a neighborhood must meet in order to secure new FHA-insured home mortgages. It is the opinion of the committee, in which I concur, that this standard is too inflexible and that a good program designed to save the taxpayers money is thereby frustrated. As a result, this section of the act would be amended and a new standard, the accepted-risk program, would be substituted.

While there is no guarantee that this new standard will be fully effective, past experience has shown this program can best be implemented through a revision in the law governing the Commissioner's decision. It is to be hoped that this program will provide a substantial saving to the taxpayers of the Nation.

Closely allied to this concept is a bold new program in title III which would deal with properties located in urban renewal areas. Under this section \$50 million of low-interest loans would be authorized. The loans would be available to owners or tenants of homes or business properties.

The purpose would be to finance the rehabilitation which might be necessary to make the properties previously referred to conform to code requirements of a municipality or carry out the long-range objectives of an urban renewal plan. This much needed program will fill a void comparable to the one which, in my opinion, existed for FHA-insured home improvement loans mentioned previously, where the same situation existed by analogy. In some proposed urban renewal areas there are properties which exist and are in such structural shape they are not suitable fare for the bulldozer or wrecking cranes. Through this program of low-interest loans we can also hope to save the taxpayers considerable moneys by avoiding the necessity of full-scale urban renewal projects or the waste of Federal tax dollars in unnecessary projects of reclaiming such structurally sound buildings. Both these programs especially merit your attention.

I am pleased to support this legislation.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mrs. SULLIVAN].

(Mrs. SULLIVAN asked and was given permission to revise and extend her remarks.)

Mrs. SULLIVAN. Mr. Chairman, I have served on the Housing Subcommittee for 10 years. The chairman during all of that period has been the distinguished and greatly respected gentleman from Alabama, one of the ablest legislators it has been my privilege to know. He has made it a real pleasure, as well as a source of great satisfaction, to serve on the Subcommittee on Housing. We have all admired his tremendous grasp of the complex laws in this field, and his remarkable ability for explaining the complexities to the House during debate on our legislation. The gentleman from Alabama [Mr. RAINS] is the kind of gentleman and public servant that Ala-

bama—or any State—could be proud of. I am sorry that he is retiring from Congress, for we who have had his strong leadership on housing legislation, and his wise counsel on other issues coming before the Committee on Banking and Currency, will sorely miss his judgment and insight on these matters. I want to take this opportunity—as we debate the final one of a long series of outstanding housing bills written chiefly by the gentleman from Alabama, ALBERT RAINS, as chairman of the Subcommittee on Housing—to express here on the House floor my gratitude for what he has done for the lower-income and moderate-income families of this country in helping them to obtain decent housing at costs within their means. This job is far from done. It is a battle far from won. But the gentleman from Alabama, ALBERT RAINS, has been a great architect in the design of a structure of laws which will mean better housing for all citizens, and new life and freedom from blight for our cities and rural areas.

There is nothing I could add to the fine presentation made here today by the gentleman from Alabama, Chairman RAINS, on the provisions of the new Housing bill. There are features in it which will help millions of American families, from the very poor, to the middle-income family buying a \$30,000 home. It will help our cities to continue the battle against blight, slums and strangulation. It provides new machinery for solving the terribly serious problems of dislocation and hardship suffered by those who must move from urban renewal areas.

In this respect, the bill establishes a better approach to an extremely important need—the need for human redevelopment to go hand in hand with urban redevelopment. This was the basic concern of a speech which I delivered a month ago, prior to committee action on the new housing bill, when I addressed the Southwest Regional Convention of the National Association of Housing and Redevelopment Officials.

Mr. Chairman, under unanimous consent previously granted in the House, I submit at this point in my remarks the text of my talk at the NAHRO convention, because I think it places in perspective the scope of the problems this bill seeks to help solve, and also sets out some of the things we in the cities are doing on our own to provide help to so many of those mired deep not only in the slums of tenement districts but in the slums of the human spirit.

The President's war on poverty bill, which Congress has just passed in final form this week, provides another avenue to the solution of these problems, as do the Vocational Educational Act, the food stamp bill, the tax cut bill, and now this housing bill, to name a few of our major achievements in this Congress.

The speech referred to is as follows:
REMARKS BY CONGRESSWOMAN LEONOR K. SULLIVAN AT LUNCHEON MEETING OF SOUTHWEST REGIONAL CONVENTION, NATIONAL ASSOCIATION OF HOUSING AND REDEVELOPMENT OFFICIALS, CHASE HOTEL, ST. LOUIS, MO., TUESDAY, JULY 14, 1964

I am delighted to be able to participate in this regional conference—for a great many personal, as well as official reasons—and I think it was most thoughtful of the Repub-

hican Party to schedule their national convention this week so that Congress would not be in session and I could be here in St. Louis. As a rule, I do not leave Capitol Hill even for a luncheon in downtown Washington, when the House is in session—no matter how minor the business before the House might appear to be on a particular day—so it would have been unlikely for me to be here if we were not in recess right now.

Now that I am here, there are several courses of action open to me. As a native, all-my-life St. Louisan, I could welcome you to my hometown and express the hope that you are enjoying your stay here. But I hardly think that is necessary, in view of the fact that the convention is already 3 days old and you have been appropriately welcomed by the mayor and other officials and civic leaders. Moreover, I cannot imagine how a group such as this could possibly fail to have a wonderful time in St. Louis, and I am just going to assume you have enjoyed every minute of your stay.

Well, then, I could tell you all about the great achievements of St. Louis—and the problems, too—in housing and in redevelopment. But you have seen our handiwork in housing and redevelopment and you know it is good. And the problems here are not too different from those all of you encounter in your own communities.

Should I then outline for you what the Congress will, or might, do about housing and urban renewal legislation in this amazing session which has been writing legislative history so dramatically in so many new directions? You have already had the opportunity to hear, at your banquet last night, from the one person who knows more about housing and related legislation than any other single Member of Congress—my chairman on the Subcommittee on Housing of the House Committee on Banking and Currency—Congressman ALBERT RAINS. His wisdom and legislative skill have been primarily responsible for the far-reaching improvements made by Congress in the past decade in the legislation which is remaking our cities and towns, and making them better places in which to live and to work than they have been in many years. No, it would be unnecessary for me to try to cover that same ground.

This is my 10th year—out of a dozen spent in the Congress—in which I have served on the Housing Subcommittee. In all of that time, Congressman RAINS has been not just the chairman but also the moving spirit—the key—the motivator—the miracle worker, if you will, of congressional action on housing legislation. His decision to leave Congress after this session will deprive us of tested leadership genius in housing and urban renewal legislation, and will make it harder for you who are the implementers of that legislation to do your job. That means that we in the Congress and you in the cities and towns are going to have to work much harder if we are to maintain the progress which ALBERT RAINS has made possible in this field. Naturally, we all feel we have been working pretty hard at the job already, so the prospect of even harder work and greater responsibility, and the need for more imagination on our part to fill the gap left by Congressman RAINS' retirement from Congress are not exactly appealing at this point.

If you and I believe in what we have been doing, and trying to do under his leadership, then we have no choice but to do our best to carry on next year and in the years thereafter to the best of our respective abilities. The strength of our system of government lies in the fact that most Americans, when faced with greater responsibilities in the public interest and in public service, find renewed energy somewhere and try to rise to new challenges, I am sure that will be true in this case, too.

But there will be many instances when we will feel a little lost because the gentleman from Alabama who shouldered these responsibilities so ably for so long in the Congress is resting on his laurels down in Alabama, or wherever he may be, and I, for one, will certainly want to keep in touch with him and have the benefit of his advice and guidance.

Federal participation in the rehabilitation and redevelopment of our cities goes back three decades to the early days of the first administration of Franklin D. Roosevelt. The basic idea then was to provide jobs, and housing construction was then—as it is today—one of the best generators of employment opportunities, and one of the most socially desirable types of work to encourage. In these past 30 years or so, America has been transformed from a country composed largely of renters to a country in which a majority of the families own or are buying the homes in which they live. The cooperative apartment program helped to accelerate that trend. On the other hand, however, most of the single-family dwellings were going up outside the city limits, where land costs were cheaper and a moderate-income family would have a better chance of affording a lot which had a little yard alongside or in back of the dwelling.

In 1949, Congress made perhaps its most important single step in the rescue of the American city from the blight and strangulation which was taking place in so many of our major urban centers. Since then, as you all know, city after city has embarked on tremendous urban renewal projects transforming horrible slums and decaying commercial wasteland into beautiful new plazas and apartment developments and intelligently planned industrial or commercial parks. This rejuvenation and glamorization—if that is the word—of onetime ugly and wretched urban badlands is still going on and has a long way yet to go before we can consider our cities the models of modern-day comfort and convenience they can and should be.

But every advance has been slow, and at the expense of great sacrifice on the part of many. Each improvement has carried a price tag, not only in terms of Federal and local tax funds, or the lost profits of displaced businesses, but, more importantly, at the expense of much human turmoil and dislocation and hardship.

Much of this could have been avoided if we had all been a bit wiser, if human beings were not so unpredictable and often just plain contrary, if bureaucrats were all resilient and superintelligent, and if the public had had a better understanding and appreciation of what was being attempted.

When you toured the dramatic new areas of St. Louis during this convention, you saw some outstanding fruits of civic leadership and community spirit and government-labor-business cooperation carried out here in truly impressive fashion. We are all proud of those new areas, and of the contribution they make to our great city. But who—even in St. Louis—except the battle-scarred people who led the way—remembers the endless hours of wrangling and discord, the personal abuse, the political warfare, the missed meals and the missed hours of sleep and the indigestion and possible heart attacks which accompanied the planning and the initiation and the early stages of these great achievements?

This is the sort of thing we in the Congress are used to. It sometimes takes years to battle a program through to enactment, and more years to get it into operation, leading eventually to something someone can see or touch and understand, and perhaps enjoy. During the years of infighting over the idea, the only people among the general public who seem to show much interest are those who

are strongly and bitterly opposed to the whole concept, and who see the doom of the Republic and the destruction of all of our liberties in whatever it is of a new and different nature which has been proposed. But by the time the idea becomes law, and from law becomes program, and from program becomes a funded budget item, and from the appropriations stage eventually becomes reality, most of those who opposed the idea so bitterly tend to become reconciled to it and from there even go on to approve of it, even if grudgingly. Some seem to forget entirely about the fight they put up to block it. There is a good example of that in Washington, for instance, in the Peace Corps.

This is not always true, of course, for there are some who still weep over the Social Security Act of 1935 and there are certainly those who tend to believe that all of the bathtubs in the public housing projects are still full of coal.

My advice to you, then—you who are the professionals in the housing and redevelopment field or who are the appointive or elected officials who must make judgments and determinations affecting your committees' participation in these programs—is to keep always ahead of you, in plain sight, what it is you are striving to do, and the results you envision, and then try to communicate to your neighbors the dreams you are dreaming. I would say this is the biggest part of your jobs. Very often, it is the part which is neglected in favor of trying to solve the daily crises over details which, in the long run, will be pretty trivial, even though they cause you heartaches and fatigue at the moment.

I am very much taken with the theme of your convention, particularly for this group of men and women who have performed so many miracles of urban facelifting, the theme: "The Total Picture." What you do to and for our cities is a dramatic example of physical rebuilding. You have been given the power and the funds to do these tremendous jobs, however, not because the politicians who vote the funds, or the public who pays them in taxes, are so all-fired beauty conscious. Urban renewal, just as in the case of public housing, has grown out of human needs, rather than esthetic yearnings. I hope it is not heresy for me to say that here. Even if it were, I wouldn't care.

We needed to rejuvenate our cities because the people who lived in them were drowning in filth and in congestion and in discomfort ranging to misery. But as we began getting on with the job of wiping out slums and rebuilding for a better environment, the revolution in farm technology and in agricultural economics sent millions of new people to the cities looking for jobs, and we have never caught up with or worked our way out of the resulting demand for decent housing at reasonable cost.

Relocation of the families uprooted and dislocated by urban improvements thus becomes almost a nightmare.

I do not need to tell this audience that no matter how many glorious monuments and beautiful neighborhoods we build under urban renewal, that vital program cannot be a success unless and until we solve the rehousing problem of people who are displaced. Urban renewal and belatedly the highway program and now the new mass transit program just enacted by the Congress, cannot go forward unless we provide a just and equitable program to take care of the victims of progress. And by taking care of them, no person of conscience can mean simply providing those who live in our rundown slums with other rundown slums in which to live.

Experience has shown that many people displaced by programs such as urban renewal can afford to live in better housing with the help and guidance of relocation

authorities. But the cruel fact remains that there are many—such as those handicapped by infirmities, illiteracy or lack of skills, broken families, and so on—who cannot find good housing on their own. By relocation we must mean finding decent homes for those who can afford them and also finding decent homes for those who need them, but cannot afford them. If we cannot achieve this, our other programs can be only limited successes at best.

This brings us, inevitably, to the question of public housing. In the Congress of the United States, this is almost a bad word.

Public housing was originally, and still is, a bold, pioneering effort, and, therefore, it has lived in a goldfish bowl in which none of its faults can be hidden from the attacks of avowed opponents or even the casual criticism of well-meaning observers. You have been so badgered and hounded by professional antipublic housers that it almost takes a major act of courage to admit and rectify the genuine problems that have arisen.

All too often, those of us who know the facts of public housing and who are devoted to its objectives have been placed on the defensive. Too often, you have been so preoccupied with defending the program against bitter attack and fighting for its mere continuation that it has limited your ability to find ways of doing your job more effectively. It has taken an all-out fight just to preserve the existing public housing program.

We also know that the public housing program has not achieved all of its goals, and know that for all the good it has accomplished it is an embattled and controversial thing.

But we will never solve the relocation crisis for displaced low-income families forced to move from slum-ridden urban renewal sites unless and until the role of public housing in the relocation process is more generally recognized and appreciated. And that will not occur until those of you who are in the public housing field work more effectively to win community acceptance for your projects and more vigorously to eliminate those things about the projects which contribute to public misunderstanding or animosity.

It was once thought that the role of the housing authority was merely to provide good, decent, livable dwelling accommodations and to let the tenants strictly alone to enjoy them as they saw fit, within reasonable bounds, of course. What was not often understood was the many of the families which were moved into these clean and well-built dwellings had had no experience whatsoever in how to live in an urban apartment. The bright, clean walls of a new apartment, or of a newly redecorated one, do not automatically convey civilizing influences upon people not previously introduced to such modes of life. So the public housing people found they had to put in extra duty as home economists, tutors, judges, social work consultant, legal aid bureau, visiting nurse, recreation director, and a lot of other specialties if masses of people suddenly thrown together in the unfamiliar environment of a modern housing development were to get along, and get along with each other.

Well, you still have a long way to go in this direction, and Marie McGuire is on the right track—and most of us in Congress are with her on this.

There is an urgent need for public housing officials and relocation officials to work with every other Government agency which can provide social services to low-income families. This was emphasized in the testimony of Ira Robbins speaking for NAHRO at our housing hearings earlier this year. He noted the fact that the low-income family of today is different from that of the 1930's when poverty and unemployment were so widespread. At that time, public housing was

more of a way station, and a very high proportion of the original occupants were lifted out of the projects by the general rise in business activity. Now, however, low-rent projects tend to fill up with those who cannot fully take advantage of even the highest prosperity unless they are given special help. This is what we are doing here in St. Louis. In cooperation with a wide variety of public and private agencies, we are making a strong concerted effort to attack these problems.

I am really excited about the plans of the Metropolitan area here in St. Louis—the city and the county—for a massive attack on the causes of poverty and of delinquency, through the newly created St. Louis Human Development Corporation. This represents a centering in one group of all of the resources of the community for meeting the most serious problem of domestic American life, particularly in the cities. This plan is an experiment—a demonstration project—supported in part with Federal funds. I hope all of you will interest yourselves in its operation, and both contribute to and learn from its plans for human renewal.

Fundamentally, this is where all attempts to improve our cities must be solidly based—in bringing to all of our citizens in the cities a sense of participation in the life of the city, and an opportunity, to be better than they are.

The opportunities available to youth today to train in all kinds of skills and professions are unlimited; each youth with the mental capacity must be led to understand the scope of his opportunities, and must be given the inner motivations which will lead him to take advantage of these great opportunities.

Kids standing around the corners feeling hopeless and bereft of opportunity must have rooted out of their minds the idea that they are doomed to lives of emptiness. The opportunities exist. It is hard for most youngsters to get into the college of their choice these days, and it is terribly expensive for anyone to go or be sent to college, but believe me—no youth today who can handle college work—and who is actively and genuinely interested in going to college—who is motivated—need end his schooling after high school. This can be shown—it can be proved. Let's show these youngsters—and their parents—particularly the parents.

The new Federal vocational training program—new in concept and new in approach—will open the door to a satisfying job and a satisfying future for many other boys and girls who sincerely want a chance, but up to now have felt locked out. And the President's war on poverty will, when enacted, set up a variety of new programs, including the Job Corps modeled on the old Civilian Conservation Corps idea, which will make hopelessness obsolete and unjustified for any youngster with any gumption or self-respect. For adults, too, there will be new avenues of escape from economic despair.

These programs and the needs they are designed to fulfill are just as much your concern as they are of the educator and the sociologist. For you are deeply involved, whether you want to be or not—and I hope you want to be—in the people, the families, whose environment you touch so directly.

The public housing project, and the new neighborhoods created by urban renewal should, in my opinion, incorporate as standard facilities, like fire extinguishers, a consumer information center—whether staffed professionally or by volunteers among the residents themselves—to provide information or material on request on such things as installment contracts, interest rates, credit union activities, plentiful and low-cost foods, the food stamp program, housekeeping shortcuts, sewing, educational opportunities, and so on. Printed material on all of these subjects, and many more, is available from

public sources—the Department of Agriculture, for instance, has a great library of factual and readable material which can be obtained free. The Agricultural Extension service working out of the University of Missouri has done a great job in urban St. Louis in this very direction. Is this sort of thing your business in housing and redevelopment? It certainly is—and must be.

What you are doing now is vital to the physical health of our cities. What you must do more of lies in the field of human redevelopment. For the two must go hand in hand. Your bold new buildings and beautiful plazas can make a city look beautiful; the city can be beautiful only if all the people are really part of its life.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MOORHEAD].

(Mr. MOORHEAD asked and was given permission to revise and extend his remarks.)

Mr. MOORHEAD. Mr. Chairman, I rise in support of H.R. 12175, the Housing Act of 1964.

This legislation is the work of many people, but it, together with all housing legislation over the past 20 years, is a monument to the genius of one legislator, the gentleman from Alabama [ALBERT RAINS].

In any presidential election year, and especially in this particular year, partisan feelings run strong and housing legislation has never been considered noncontroversial. Executive sessions of this bill began 12 days after the end of the Republican National Convention.

Because of the legislative genius of the chairman of the Subcommittee on Housing, and despite these pitfalls, the subcommittee by a totally bipartisan basis vote reported the bill by a unanimous vote of 11 to 0.

The legislative genius of the gentleman from Alabama, ALBERT RAINS, was felt in the Full Committee on Banking and Currency which reported the bill to the House on a bipartisan basis, with only one vote of nay.

I am convinced that the legislative genius of ALBERT RAINS rests on the fact that he puts duty to Nation ahead of duty to party, and favors his colleagues ahead of himself.

In this election year, there might have been temptation to write a housing bill for which the Democrats could claim sole credit. The gentleman from Alabama, ALBERT RAINS, resisted such temptation and has produced a bill which is in large measure the work of the gentleman from New Jersey [Mr. WIDNALL]. The gentleman from New Jersey [Mr. WIDNALL] and his Republican colleagues of the committee are equally deserving of praise because they, instead of cooperating, could have succumbed in this election year, to the temptation to put partisan politics before the Nation's need for a housing bill this year.

The gentleman from Alabama, ALBERT RAINS, will not be serving in the House of Representatives next year. It would be only human nature if "Mr. Housing" of the U.S. Congress would want to have exclusive credit for the last housing bill he expects to shepherd through Congress. But, ALBERT RAINS always considers his colleagues ahead of himself. In the sub-

committee, in the full committee, and on the floor of the House, the gentleman from Alabama, ALBERT RAINS, has always been careful to give credit to the gentleman from New Jersey [Mr. WIDNALL] and others who contributed to this bill even though by deft alteration of language he could have claimed the authorship for himself.

Mr. Chairman, because of the guiding genius of the gentleman from Alabama, ALBERT RAINS, the bill we bring to the floor is a bipartisan one in the highest and best traditions of legislating in this body.

Mr. Chairman, I hope that we can pass this bill by an overwhelming margin not only as a tribute to the gentleman from Alabama, ALBERT RAINS, but also to the spirit of bipartisan support of housing which his genius created.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Ohio [Mr. ASHLEY].

(Mr. ASHLEY asked and was given permission to revise and extend his remarks.)

Mr. ASHLEY. Mr. Chairman, in the years I have been on the Subcommittee on Housing I have always looked forward to the annual presentation of the housing bill, but I do so this year with considerable regret. The decision of the gentleman from Alabama [ALBERT RAINS], to retire from the Congress is one that saddens us all. I know that I speak for all when I say that we have come to have the highest regard and respect for the unusual and outstanding ability of this unusual man. I think all of us are grateful, as indeed the Nation should be, for the very significant contribution this gentleman from Alabama has made in the field of housing. It is not saying too much that the name of ALBERT RAINS is synonymous with the many housing programs that have been drafted and become law in the past decade. His is a really significant contribution, and I know that the Nation is grateful to ALBERT RAINS.

Mr. Chairman, the various titles of the bill before us have been explained already. I would, however, like to take just a moment to comment briefly on the provisions of the bill which relate to housing for the handicapped.

The Office of Vocational Rehabilitation estimates that today there are 16 to 18 million severely disabled people in the country. Many have been able to make an adjustment to their disability, either by themselves or with help, and by and large are able to lead satisfactory and productive lives.

But there is a category of handicapped persons who are severely limited in their activity who with some attention and some help can become more productive citizens. It is these handicapped persons that our bill seeks to assist by extending eligibility to the various programs which hitherto have been limited to the elderly and disabled, specifically, direct loans for rental housing, for low-rent public housing, and for mortgage insurance under section 231.

Special attention has been directed in Denmark and other countries to developing and making available housing for handicapped persons but this is a field

which has been long neglected in this country. The provisions in the bill before us, I feel, represent a significant start.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Ohio.

(Mr. VANIK asked and was given permission to revise and extend his remarks.)

Mr. VANIK. Mr. Chairman, I want at this time to concur in the fine statement by my distinguished colleague from Ohio, and express the profound sentiment of the people of my community for the splendid leadership of the gentleman from Alabama [Mr. RAINS]. Our great progress in urban renewal and community development has been a direct result of his leadership in this vital field.

Mr. PATMAN. Mr. Chairman, I yield to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, it is a sad fact that this is the last housing bill to come to us under the leadership of ALBERT RAINS. The benefits of his work are across the length and breadth of our land. The human beings he has helped are legion in every area. Our loss in this House is our country's loss. We hope to see him often in good health and sure success.

This bill will be of particular assistance to an area of my district, the people of which wish to rehabilitate and renew not relocate or destroy. With this bill the local authority of Los Angeles has a clear path to help the people of Venice. I hope action will be speedy. The entire bill is wise in its improvements. I support it wholeheartedly.

Mr. WIDNALL. Mr. Chairman, at this time I yield to the gentleman from New York [Mr. LINDSAY] such time as he may require.

Mr. LINDSAY. At first, Mr. Chairman, I would like to join with others in paying tribute to the distinguished gentleman from Alabama [Mr. RAINS]. His absence will be deeply felt in the House of Representatives.

Second, Mr. Chairman, I intend to support the Bolton amendment which will be offered. The amendment, in my judgment, is a sound and sensible amendment.

Third, I join with the distinguished gentleman from New Jersey [Mr. WIDNALL] who has made enormous contributions throughout the years in the field of housing in support of this legislation, so much of which is his skillful handiwork.

Mr. Chairman, this housing bill of 1964 has incorporated into it a number of very constructive provisions from an earlier bill, H.R. 9771, introduced by our distinguished colleague from New Jersey [Mr. WIDNALL], ranking minority member of the Housing Subcommittee. As a result of these improvements, the subcommittee approved the bill as amended by the unanimous vote of 11 to 0. Later the bill was reported favorably by the full Banking and Currency Committee by a vote of 18 to 1.

Mr. Chairman, I support this bill. The

gentleman from New Jersey [Mr. WIDNALL] has made important contributions in the field of housing. This is another. The bill continues for another year the existing Housing Act, with some important amendments. It is in effect stop-gap legislation. The Congress has not been able to come up with longer range legislation which would permit longer range planning. There are sound improvements to existing law. The bill contains a number of amendments designed to improve FHA sales and rental housing programs and to improve the operation of the urban renewal program.

The major features of the bill's nine titles are as follows:

Title I of the bill would permit lower downpayments and higher mortgage amounts on FHA sales housing, and would provide additional protection against disclosure for FHA homeowners.

Title II would authorize additional funds for low interest direct loans for rental housing for the elderly, and would provide new housing aids for the handicapped.

Title III would first, authorize an additional \$600 million for grants under the urban renewal program, second, tighten the urban renewal program requirements to encourage more rehabilitation and code enforcement, third, provide a new program of rehabilitation loans to aid homeowners and businesses in urban renewal areas to improve their properties, and fourth, tighten relocation requirements and provide additional relocation benefits to displaced businesses, nonprofit organizations, individuals, and families.

Title IV would authorize 35,000 additional units of low rent public housing.

Title V would authorize an additional \$150 million for direct loans under the rural housing program administered by the Farmers Home Administration.

Title VI would authorize a limited grant program to encourage on-the-job training and short-term courses of instruction to provide the skills needed for local administration of urban programs.

Title VII would provide an additional \$20 million for the public works planning advance program.

Title VIII would broaden the investment authority of savings and loans associations.

Title IX would provide an additional \$25 million for grants for the open space—parks and playgrounds—program.

I particularly want to call this body's attention to certain features of title III, many of which are the product of the bill of the gentleman from New Jersey [Mr. WIDNALL]. This title includes an approach to urban renewal which in previous years has been given too little emphasis. This approach provides for the implementation of policies that, hopefully, will eliminate and prevent the development and spread of slum and blight without the use of urban renewal capital grant funds. But another way, this title attempts to provide means to upgrade neighborhoods from within—an approach which could make final resort to the bulldozer less necessary. In time, this particular approach could save the

Nation millions of dollars and also help maintain the viability and integrity of the neighborhood.

To achieve these objectives, the bill will do the following: Strengthen the role of code enforcement by local communities, and authorize a new program of rehabilitation loans. The first feature, in providing for more intensive enforcement of housing codes in such areas as safety and sanitation, could eliminate the first stage of slum and blight and prevent the need for subsequent clearance in rehabilitation activities. The bill therefore authorizes a new type of urban renewal project which would consist entirely or substantially of a program of intensive code enforcement in an urban renewal area.

The second feature would authorize a new \$50 million program of low-interest loans to owners or tenants of dwelling units or business property in urban renewal areas to finance the rehabilitation required to make these dwelling units or business properties conform to code requirements or carry out the objectives of an urban renewal plan for the area. Purpose of the program is to provide a source of financing to those persons and businesses in an urban renewal area who are presently unable to improve their property because they cannot obtain loans in sufficient amounts or at such terms they can afford to carry. In my view this is a feasible method of stimulating private owners to undertake rehabilitation projects in urban renewal areas. There can be little doubt that the cost of these loans will be recaptured many times over by the reduction in the need for demolition of houses and buildings in urban renewal areas.

In addition to title III, I would like to emphasize the importance of title IV, which makes significant improvements in the public housing program for low-income families. Four of these improvements relate to relocation. They are designed either to enhance the capacity of local housing authorities to provide low-rent housing for displacees or to assure that those displaced by the public housing program itself will be entitled to the same basic safeguards and assistance as are now available to urban renewal displacees. I also want to note the importance of a fifth provision, which would encourage the continued exploration and development of new techniques for providing housing for low-income families by increasing the authorization, now virtually exhausted, for grants for low-income housing demonstrations.

This is a necessary bill, Mr. Chairman, and I urge that it be passed.

Mr. WIDNALL. Mr. Chairman, at this time I yield to the gentleman from Massachusetts [Mr. KEITH] such time as he may require.

[Mr. KEITH addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WIDNALL. Mr. Chairman, I yield to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, I rise to support this legislation reported by the Committee on Banking and Currency and

to say with sadness that we are losing a great and distinguished Democrat leader, the gentleman from Alabama [Mr. RAINS].

I also wish to emphasize, Mr. Chairman, that I too support the Bolton amendment.

This is a good piece of legislation and it is in keeping with the positive approach to housing that was exemplified by the Eisenhower administration, and is now being carried on by the Republican Members of both the House and the Senate.

We who care about the value of the individual are especially pleased by the overall self-help concept that runs through the major sections of H.R. 12175.

I would call particular attention to title I, which enhances the FHA loan insurance program by extending and enlarging its present provisions. Under H.R. 12175, FHA can increase the dollar limits on its home mortgages for four of its programs. This increase is necessary to keep the program in line with the increased cost of homebuilding. In addition, title I would lower the downpayment requirements in certain selected FHA programs, thereby expanding the home ownership market to yet a lower income level.

Title I also introduces two new FHA programs—insurance for condominiums, and insurance for the purchase of units in cooperatives. These two programs will extend the benefits of FHA to those families who have found it more convenient to live in city or suburban apartments, but still hold the traditional American dream of owning one's own home.

Finally, title I changes the criterion for FHA home improvement loan insurance by substitution of the term "acceptable risk" for "economically sound" as the basis for eligibility. This change will enable the so-called "gray areas" of our cities to rehabilitate without resorting to costly urban renewal programs.

I would also like to point out that H.R. 12175 extends the senior citizens housing loan program, making elderly individuals eligible for housing under the FHA section 221 program. Both provisions will be of great assistance to the elderly as they struggle to meet their housing needs. May I add that I am proud to see so many elderly families, and now individuals, being assisted by private nonprofit agencies who do not hesitate in their responsibilities to the aged. These senior citizen loans and the FHA loan insurance program are a blessing to those who want to see private efforts do the housing job that faces this Nation regarding its senior citizens.

Title III of H.R. 12175 extends to the controversial urban renewal program an increased authorization of \$600 million for its title I slum clearance grants. In addition, it would authorize a new \$50 million program of low interest loans to owners or tenants of homes or business property in urban renewal areas to finance repairs required to make property in the urban renewal areas conform to code requirements to carry out the objectives of the urban renewal plan for the area. Several important provisions would expand and improve the reloca-

tion assistance available, and substantial increases are authorized in the relocation payments which may be made to those displaced by urban renewal.

Most important, this bill will strengthen and emphasize the role of code enforcement by local communities in eliminating and preventing slums and the development of blight, and authorize a new kind of urban renewal project which would consist entirely or substantially of a program of intensive code enforcement.

While I have some reservations as to the urban renewal program in general, I am glad to support H.R. 12175 because it goes a long way toward returning this program to the local communities and the people of those communities. It stresses self-help through the rehabilitation loan program and through the code enforcement provision. This measure more nearly approaches the traditional Republican position on housing, that grants for massive rehabilitation projects should be held to the necessary minimum. The desires of the Washington planners notwithstanding, the code enforcement and rehabilitation loan provisions on H.R. 12175 will give us a better, more democratic urban renewal program and at a far lower cost to the American taxpayer.

If time permitted, I should like to discuss some of the other provisions of H.R. 12175, but all I really need to add is that the other programs extended or refined under this act are in the best interest of the Nation. The wild schemes of the administration have been discarded in favor of some realistic self-help proposals. There is greater emphasis on the FHA approach to our housing difficulties, and huge spending programs are conspicuous by their absence. In short, Mr. Chairman, H.R. 12175 is a bill that a Republican can vote for with a clear conscience.

Mr. PATMAN. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. PEPPER].

Mr. PEPPER. Mr. Chairman, I wish to associate myself with all the commendations that have been so deservedly made on this floor of the able gentleman from Alabama [Mr. RAINS].

In almost 16 years of service in the two Houses of the Congress, I have never on the whole, known a more able and dedicated legislator than the gentleman from Alabama, ALBERT RAINS.

All over America there are millions of people living in decent homes because of the gentleman from Alabama, ALBERT RAINS.

All over America there are elderly citizens living in comfortable, low-rent homes or apartments that they could not enjoy if it were not for the gentleman from Alabama, ALBERT RAINS.

All over America there are disabled people who can get into their houses because of the way those homes have been constructed because of the foresight and the able legislative record of the gentleman from Alabama, ALBERT RAINS.

All over America there are children growing up in wholesome environments, free of the curse of slums, because of the gentleman from Alabama, ALBERT RAINS.

All over America there are altars and hearthstones and firesides of happy families that have been made possible by the leadership of the gentleman from Alabama, ALBERT RAINS.

All over America democracy is more meaningful because of the gentleman from Alabama, ALBERT RAINS.

Mr. Chairman, when the gentleman from Alabama, ALBERT RAINS, leaves this House, he will carry with him the gratitude of millions of Americans who have been the beneficiaries of his distinguished service, and he will carry with him, too, the respect and the affection of all Members of the Congress.

[Mr. CORMAN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. PATMAN. Mr. Chairman, I yield to the gentleman from New Jersey [Mr. MINISH].

Mr. MINISH. Mr. Chairman, this bill is urgently needed by the cities of this Nation. The people in the cities know the need for more public housing and urban renewal assistance. They all know it, from the highest to the lowest, in the area which I have the honor to represent. The people appreciate the benefits of urban renewal and public housing programs there and want to continue the job that has been only begun.

They are willing to pay what it costs to upgrade their communities, to provide better housing and better neighborhoods. They want to see obsolescence wiped out. They want to see economic decline reversed.

Only yesterday ground-breaking ceremonies were held for the Hallmark House Newark's Broad Street urban renewal project which will provide sorely needed moderate income housing. This project is a splendid illustration of the part played by the urban renewal program in creating new economic and social values and strengthening the foundations of our democracy.

The people of Newark are doing their best to meet the costs of urban renewal. Federal aid must supply the rest. If this bill is not passed, the Newark redevelopment program will have to be abandoned because the total cost of renewal cannot be borne by the city entirely.

Even with Federal aid, the city's one-third share would be impossible to meet, considering the limitations of its borrowing capacity and other capital needs, were it not for the fact that we may get credit for such capital facilities as new or modernized schools, hospitals, libraries, playgrounds, and other public improvements.

It is a great satisfaction to me that the Congress in past years has recognized the Federal responsibility for aiding the communities with their housing and urban renewal programs. The Housing Acts of past years have consistently and bipartisanly recognized this Federal role, and the Housing Act of 1964 confirms that responsibility.

A measure of the value of the urban renewal program is that it has enlisted support from all quarters. A nonpartisan and bipartisan organization has developed in Newark's "war on slums

and technological community obsolescence," as one Newark businessman puts it. As he also pointed out, the urban renewal program is a "result of the fusion of effort of labor, government, and business" and "a coalition of labor, business, and civic leadership."

Our businessmen's concern with the revitalization of Newark is good business. As one of them explained, urban renewal in industrial parlance would come under the heading of "new product development." And he went on to point out that one urban renewal project will net the city alone a \$750,000 gain in income.

My communities' urban renewal programs have for their objective the prevention of further blight, the preservation of good housing and neighborhoods, the clearance of slums, the rehabilitation and conservation of deteriorated but essentially sound buildings and areas, and, of course, the provision of good homes for all our people.

In all of these objectives we are making progress.

The lovely Oranges—East Orange, South Orange, West Orange, and Orange—are utilizing the Federal aids to make their communities even more attractive and desirable. An editorial that appeared last May 28 in the East Orange Record in praise of public housing for the elderly reflects the support given the housing programs by most residents of the Oranges. I am proud of my constituency's strong sense of public responsibility and fine spirit of progress and achievement. The editorial reads as follows:

[From the East Orange (N.J.) Record, May 28, 1964]

MORE HOUSING FOR THE ELDERLY

The housing authority has asked city council to approve the erection of 150 more units of public housing for the elderly. Council sentiment appears to be favorable and an early contract agreement between the two bodies is expected to be consummated soon.

The completion of such units takes about 3 years, if we follow the pattern established in the erection of Concord Towers. This 64-unit public housing project for senior citizens on North Grove Street is really a project in the best sense of the word, not in the sense of a stereotyped brick and steel barracks. It contains tastefully and cleverly designed apartments with all the amenities for persons of advanced years. In addition, its common rooms on the first floor also house services for the elderly that carry the theme right through to its proper conclusion. Its day center, for instance, with facilities for caring for problems that may arise frequently and for catering to the needs of our senior citizens, is a most welcome adjunct.

The subsequent steps may take a little longer than in the case of Concord Towers because there are presently no more housing credits available in this area under the Federal Housing Act. A new housing bill is buried in the Senate, awaiting action while the civil rights bill is being debated. Unless this bill is acted upon soon, the necessary enabling legislation may not be enacted until late this year. Without it, there are no funds for public housing, senior citizens or otherwise.

Once this hurdle is cleared, we can see the beginning of the road to more apartments.

In a city where the words "public housing" were once anathema, the change in climate

brought by Concord Towers is refreshing and enlightening. We see the results of a need fulfilled. We see a public unit returning funds to the city treasury in lieu of taxes. We see some of our most valued citizens able to live out their remaining years in dignity and comfort, repaid in some measure for the years they gave to us.

We see the urban renewal process, not only in terms of bricks and mortar, the demolition or erection of buildings, not only in terms of dollars and cents. We see urban renewal, primarily, as a means of human conservation, as the expression of the needs, dreams, and aspirations of the people for whom the ideas are conceived. The strength of our Nation is only a reflection of the strength of our people. Urban renewal—by its provision of a healthy environment for people—is a part of the means of keeping our Nation strong.

Mr. WIDNALL. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. KUNKEL].

Mr. KUNKEL. Mr. Chairman, I rise in support of this legislation. I would also like to state I am strongly in favor of the Bolton amendment.

(Mr. KUNKEL asked and was given permission to revise and extend his remarks.)

Mr. FASCELL. Mr. Chairman, I rise in support of the legislation before us today. This bill has had careful and thorough consideration by the Subcommittee on Housing and the full Committee on Banking and Currency. Its great importance and impact on our Nation's welfare and well-being cannot be minimized.

The explosive increase in our country's population demands a forward looking approach to family housing to better community facilities and assistance to our elderly and handicapped.

Under the capable direction of its distinguished chairman, the gentleman from Alabama, the Subcommittee on Housing has developed such a forward looking bill.

This hard-working subcommittee held extensive hearings, and during those hearings a particular problem affecting the University of Miami was brought out. This unique situation has been of great concern to the university officials, to my able and distinguished colleague from the Third Congressional District of Florida, CLAUDE PEPPER, and to me.

In 1947 the University of Miami completed a loan to provide college housing for the increasing number of veterans returning to civilian life. It was a 27-year loan for \$4,969,110 at an interest rate of 4 percent and made by the Trust Co. of New Jersey.

The loan covered 533 apartment units and the student union of the university, but the inadequate student union facilities did not allow the university to meet its responsibility of providing adequately for student recreation. The university received approval from HHFA for a loan to develop the student union into a recreational center, but required title to the union site which was encumbered by mortgage.

After almost a year's negotiation, the Trust Co. of New Jersey refused to consider a partial release of the site and it was therefore necessary to develop a commercial loan at a higher rate of interest to pay in full the Trust Co. of New Jersey mortgage so that refinancing could be accomplished.

The university paid the mortgage in full and under protest paid an adjusted premium charge of \$49,691 in spite of the fact that the university had never been in default or arrears in its payments; that the refinancing at a higher interest rate and additional expense to the university was necessary in order for HHFA to make a major loan to the university for the added facilities; that the University of Miami is a nonprofit educational institution with purposes directly concerned with the national interests, and the education of people regardless of race, creed, or color.

I am very pleased that the subcommittee took note of the inequities involved and adopted an amendment which the gentleman from Florida, Congressman PEPPER, and I had proposed to the committee and which would eliminate this unjust treatment. While the amendment would not have widespread application, it will eliminate this unfair premium charge to nonprofit educational institutions, which are fortunate enough to be able to pay off a mortgage prior to maturity.

While there is obvious justification and a long-accepted financial practice in providing prepayment penalties for ordinary business transactions there seems little justification, if any, to charge this penalty to nonprofit educational institutions throughout the United States and for the U.S. Government to collect it, when the Government is providing funds in many different ways to these institutions.

The citizens of Miami and Dade County certainly owe a debt of gratitude to the esteemed chairman of the subcommittee and the full committee and to the vigorous and dynamic legislator from Florida's Third Congressional District, the gentleman from Florida, CLAUDE PEPPER, who as a member of the Banking and Currency Committee steered this vital matter to House passage.

Mr. MOORHEAD. Mr. Chairman, I rise in support of H.R. 12175. I speak from firsthand knowledge of what federally aided housing and community development programs have meant to the people of Pittsburgh. I have seen hundreds of acres of slums and blight and thousands of slum shacks in Pittsburgh replaced by sparkling urban renewal projects and low-rent public housing developments. I have seen wastelands of misery and despair transformed into municipal showplaces.

Pittsburgh is justly famous for its renaissance. This program has received strong and vocal bipartisan support in my city.

Our renewal program started 20 years ago, 5 years before the Federal Government started its renewal program under the Housing Act of 1949. Fifteen urban redevelopment projects have been completed or are in execution in Pittsburgh.

More than 4,000 families have been moved out of blight and slums, and the vast majority have relocated in improved housing—homes they have bought or rented in many neighborhoods. Outstanding examples of renewal in Pittsburgh are Gateway Center, which has added glitter to the shining Golden Triangle; the Lower Hill redevelopment project with its famous Civic Arena and projected Cultural Center; and, more recently, the magnificent Allegheny Center project which will bring about the renaissance of our North Side.

Of the 15 renewal projects in Pittsburgh, 8 were financed without Federal aid. But no one today in Pittsburgh believes that the urban redevelopment needed by our city can come into being without Federal aid. There is complete unanimity, joined in by leaders in banking, industry, and all other groups, that the Federal urban renewal program is essential.

There is still much to be done in Pittsburgh. Thousands of our people in Pittsburgh are badly housed in crowded neighborhoods. A great many of these people are elderly, are poor, are unemployed, are sick. They need help. They will get help if Pittsburgh continues to renew itself and recover from the decline it suffered until our renewal program started.

With urban renewal and good new community planning, Pittsburgh is coming alive. City revenues have risen greatly. Real estate tax revenues have tripled in the renewal areas as a group. Many thousands more people are working in our gateway center than worked there a number of years ago. The renewal program is creating several thousands jobs a year in direct employment. New businesses have been attracted to the city.

What has happened in Pittsburgh can happen elsewhere. Many other cities have sent their officials to Pittsburgh to see what has happened and why it has happened. What they learn is that all of Pittsburgh is united in this effort.

The housing bill of 1964 must be passed to replenish the funds for urban renewal and public housing. The amounts that would be authorized in this bill are minimal. If anything, this bill shortchanges our cities in the amounts that could be allocated to them for these vital programs.

However, this bill is a good 1-year compromise. It contains some important improvements which will make hardships much less likely to occur when dislocation is necessary in renewal areas. It will help bring private capital into the rehabilitation market.

I earnestly ask your support for the bill as reported by the subcommittee.

Mr. McDOWELL. Mr. Chairman, I rise in support of H.R. 12175, the House housing bill which was reported by the House Banking and Currency Committee by a vote of 19 to 1. This bill, in its code enforcement, and rehabilitation sections, takes long strides in protecting the small businessman and the homeowner. It is one of the best housing bills in years.

For too long, as national magazines and newspapers have pointed out, the Federal urban renewal program has been identified with the bulldozer, the swinging ball, and the wrecking crew, with the destruction of good buildings, the displacement of homeowners and small businessmen from the older residential areas of our cities.

I am especially pleased that the House Housing Subcommittee, under the leadership of its distinguished chairman, the gentleman from Alabama [Mr. RAINS], who will, unfortunately, not be with us next year, has included in House Report No. 1703 accompanying H.R. 12175 the following section—page 31—stating:

SPECIAL ASSISTANCE FOR SECTION 221(d)(2) OUTSIDE OF URBAN RENEWAL AREAS

Your committee received a recommendation that it include in the bill a provision making FNMA special assistance available for FHA-insured section 221(d)(2) mortgages on sales type single-family dwellings for low- and moderate-income families wherever they live and without regard to whether they are displaced families. FNMA's existing special assistance is available for section 221(d)(2) mortgages on homes in urban renewal areas, and on homes outside such areas if they are for displaced families.

FNMA under its regular-secondary market operations (as distinguished from special assistance) is continuously in the market for the purchase of section 221(d)(2) mortgages on low-cost homes without regard to the displaced or nondisplaced status of the mortgagors or to the location of their homes inside or outside of urban renewal areas. In this connection, your committee has learned that effective July 17, 1964, FNMA, under its secondary market operations, increased its purchase prices for section 221(d)(2) mortgages so that they now command the same purchase prices, on a nationwide basis, as other comparable FHA-insured 5½-percent home mortgages. This FNMA action should help materially to broaden the availability of section 221(d)(2) mortgage financing for low-income families.

However, because your committee desires that section 221(d)(2) mortgage financing for low-cost homes be reasonably available to all low-income families, it recommends that reconsideration be given by FNMA to the limitations on the purchase of these mortgages under FNMA's present special assistance program. If it is determined that the existing special assistance authority should properly be enlarged with respect to those section 221(d)(2) mortgages on low-cost single-family dwellings for low-income families, your committee suggests that an appropriate authorization be sought from the President, pursuant to his ample existing authority under section 305 of the FNMA character act, to accomplish that purpose.

This section in this report on the House housing bill is of special interest and concern to me because of the fact that earlier this year I introduced a bill, H.R. 10251, which had as its purpose the provision of section 221(d)(2), mortgage financing for low-cost homes so that these homes would be reasonably available to all low-income families. I introduced H.R. 10251 because of my conviction that the Federal urban renewal program was, as a Harvard University conference early last month declared, a "complete failure" in providing low- and moderate-income housing. I also introduced my bill because I agree completely with President Johnson that the existence of slum housing in our rich Nation—in

our cities, towns, and rural areas—is totally unnecessary and is totally subversive of our democratic ideals.

Surely it is time to carry out, and not just talk about, the national housing policy, set forth in the Housing Act of 1949, which calls for providing, as soon as feasible, decent, safe, and sanitary housing for every American family.

When I took my bill, H.R. 10251, up with the gentleman from Alabama, Chairman RAINS, he suggested that its worthy purpose could be achieved by including language in the House report, and he wrote me on August 3, 1964:

We have always had a special interest in the FHA section 221 sales housing program and have sought to find ways to make it more useful. Right now, FNMA has the authority to buy these mortgages but they have not used it. I believe the best solution would be to put language in the committee report on the Housing bill which would set HHFA in the direction of using this authority. I believe that we can get the Housing Agency to act on this because I know that section 221 is important to them.

The inclusion of this section in this report, on page 31, will, I trust, as I told the gentleman from Alabama, Chairman RAINS, with whom I found myself in complete agreement, adequately, and promptly, achieve the purposes I had in mind in introducing my bill, H.R. 10251.

Support of the purposes of my housing plan, and for the inclusion of language in the House report on H.R. 12175 to effectuate it, was expressed, I am pleased to say, by several members of the House Banking and Currency Committee, in addition to Chairman RAINS, shortly after I introduced my bill. Among those expressing interest in my housing plan were the gentlewoman from Missouri [Mrs. SULLIVAN], the gentleman from Florida [Mr. PEPPER], the gentleman from Texas [Mr. GONZALEZ], and the gentleman from Pennsylvania [Mr. MOORHEAD].

A 1961 amendment to the National Housing Act provided that the liberal provisions of FHA mortgage insurance would apply to low- and moderate-income purchasers as well as families faced with forced relocation due to urban renewal or other governmental action. Previously, the FHA section 221(d)(2) provisions applied only to displaced families. This 1961 amendment was a good one, and the intent of the Congress in adopting it should be carried out by HHFA.

At the present time, families other than displacees can, indeed, qualify for single-family homes under the FHA program, while two-, three-, and four-family properties under this section are limited to displaced families. But while single-family purchasers can qualify, they can do so only with a significant handicap. For example, on a \$10,000 single-home property a 3-percent or \$300 downpayment and a 97-percent mortgage is required of purchasers who are not displacees. On the other hand, a displaced family may receive a 100-percent mortgage with minimum equity of \$200 which may be deferred under agreement with the mortgagee. As a result

of these and still other handicaps, which I discussed in the CONGRESSIONAL RECORD of June 10, 1964—pages 12761—thousands of low- and moderate-income families not qualifying for the “displaced family” eligibility find they cannot afford to take advantage of the 1961 National Housing Act provisions of the FHA section 221(d)(2) program.

I have noted with interest that some amendments contained in H.R. 12175 do not appear in the comparable Senate-passed bill, S. 3049; and the Senate version of the housing bill does not contain all of the provisions which appear in the bill as reported out by the Banking Committee of this House. With great confidence in the ability of the prospective conferees from this House and from our Committee on Banking and its Subcommittee on Housing, I look forward to a final bill which will contain the meritorious provisions from both the House and Senate bills currently in process, especially with respect to the FHA’s section 221 low-income housing programs.

In particular I endorse section 507(b) of the Senate bill and the amendment adopted on the floor of the Senate, an amendment which was offered by Senator SPARKMAN, of Alabama, chairman of the Senate Housing Subcommittee. The text of this amendment, and Senator SPARKMAN’S explanation, appears on pages 17008–17009 of the CONGRESSIONAL RECORD for July 31, 1964. I understand these meritorious and significant amendments meet with the approval of the officials of FHA, and are strongly supported by the National Association of Home Builders.

I believe the need for low-income housing is so great in this country that all forms of incentives should be fully available to persuade private investors to place funds into housing our needy and poor families, just as they now invest in luxury apartments. The human goals to be satisfied by investment in and construction of low-income housing far exceed those met by the construction of luxury housing. Congress should do everything possible to influence the private investment market to place equity capital into low-income housing. The Senate amendments are a sound step forward. I fully believe that they will accomplish their goal and will accord to low-income housing the same tax treatment now available to high-rent, high-priced, luxury apartments. Therefore, I hope that the conferees will accept the Senate amendments on this point and that the final bill will contain these needed amendments.

I am convinced that the existing Federal housing programs, regardless of the legislative intent, do not meet in their administration at least, the real, urgent need for low-cost rental housing. There is among our population a large number of workingmen, military personnel, particularly of the enlisted cadre, and young families with transitory occupations which require them to be renters rather than homeowners. There are conditions which exist near our military

bases, as evidenced by the reports that have come to my office, revealing a scarcity of reasonable rental property which prohibits a serviceman from bringing his family to join him for his tour of duty. As industries move into new locations and workers are transferred or recruited for the labor force, they are confronted with the same problem of finding adequate housing at reasonable rents until they are secure and profitable enough in their employment to own a home.

The private construction industry, which oftentimes overlooks the low rental group, has responded to the various Federal programs for homeowners. They have not, however, moved into this low rental housing gap which affects the lives of so many of our workers and servicemen, and many charge exorbitant rents for the housing they do build. The vigorous administration of the Federal section 221 low-cost housing programs would help to minimize these exploiting landlords.

Government programs already exist which pledge the faith and credit of the taxpayers through various types of authorities to build tunnels, bridge and toll roads, and to support industrial and development commissions. All of the activities use the credit of the State or Federal Government. Nothing, or little, is being done to meet the urgent, basic need of rental housing for those in our midst whose circumstances necessitate rental rather than ownership housing.

What is needed today is a program for housing as revolutionary as the Model T was in its day. Just as Henry Ford put the workingman on wheels by developing an inexpensive, reliable, and durable means of transportation—and incidentally brought profits and employment to a vast new industry and its supporting suppliers—the housing industry needs to build large numbers of reasonable, adequate, rental units. It may well be that the need can be met by private industry—but thus far private efforts have been directed to construction of homes to sell. There is found on too many of our streets substandard housing, in the large cities, small towns, and even rural areas, around which are parked large and expensive automobiles. Their presence suggests the availability on the part of the owners of sufficient resources to afford better housing.

It is in this situation that is found a root cause of many accompanying ills that are costly not only in terms of broken homes, juvenile delinquency, and unsanitary conditions, but also in terms of depressed land values, tax assessments, and tax revenues for State and local governments and local school districts. In the urban areas, renewal projects have been launched which require that families move only to new congested areas while years pass before the construction of new homes is accomplished. Meanwhile, the children in these families grow up, marry, compounding the need for low-cost rental housing.

I do not intend to reflect unfavorably on the strides that have been made by

private building industries with the encouragement of the various lending agencies of the Federal Government. They have met, and met well, the need for homeowners by building the suburbs of America—sprawling or otherwise. But we need, desperately so, more than high-rise luxury apartments, “new cities” of homeowners clustered around shopping centers. We need a vast housing program that will provide adequate and reasonable rentals in the locations where great numbers of our people live, work, and serve others in the defense of the country—and this can and should be accomplished through the cooperation of private enterprise and the Federal and State Governments.

Mr. KEITH. Mr. Chairman, this Housing Act provides for the continuation, among other things, of the urban renewal program which, historically now, has been of great assistance in the rebuilding of many unproductive areas in our older cities and larger towns—particularly in the Northeastern States. It is a program which, when thoughtfully conceived and soundly financed, has been widely accepted by both sides of the aisle during the administrations of Presidents Truman, Eisenhower, and the late President Kennedy. I am very pleased, therefore, that the program before the House once again reflects a positive approach to the problems of urban renewal.

An important feature of this bill is the authorization of an additional \$600 million for urban renewal grants. By tightening up program requirements, as well, it will encourage more and better rehabilitation by participating communities. By also tightening relocation requirements and providing rehabilitation benefits to displaced businesses, non-profit organizations, individuals, and families, this bill will receive, I know, even greater support in my district.

Tuesday of this week, I met with the mayor of New Bedford, Mass., and his executive director for urban renewal, Howard Baptista, for a detailed discussion of that city's activities under the urban renewal program. One of the main reasons I am supporting this legislation is because of the sound and constructive application of the urban renewal program in my district, in New Bedford and the town of Plymouth. In New Bedford, for example, there is underway preliminary work for an extensive renewal project. We were very pleased several weeks ago when the Urban Renewal Administration approved an advance planning grant and reserved from its authorization more than \$7,400,000 for the city's unique central waterfront renewal project. As an economically depressed area, New Bedford has long recognized that fishing, shipping, and the waterfront industries are the key to the future. This investment of Federal urban renewal funds, in cooperation with the local authorities, will pay rich dividends in new industries, new jobs, and new prosperity for a city that now has a labor surplus.

Future phases of the city's long-range renewal program, I am happy to report, contemplate additional waterfront de-

velopment, historical preservation, central business district development and provision for low- and moderate-income private housing.

I am particularly interested in the preservation program, for New Bedford, like Boston and Plymouth, is rich in American history and much of that history is naturally centered in the area of the waterfront and the older commercial and industrial areas of the city. The historical preservation aspects of the urban renewal program will be of importance to the city, not only in helping save and restore irreplaceable structures, but in permitting the city to take full advantage of the development possibilities of these historic sites. New Bedford has a valuable asset in potential tourism and this program will be helpful, therefore, in realizing the economic benefits of this asset.

In the past, Mr. Chairman, for one reason or another, I have regrettably been unable to support some of the Housing bills that have come before us. I am particularly glad, therefore, in view of the valuable aid the urban renewal program is giving and will give my district, that this legislation does not include the features—such as “back-door financing”—that in some former years caused me to reluctantly withhold my support.

Mr. FRASER. Mr. Chairman, one of the finest examples of constructive, successful Federal approach to the problems of modern society is Federal housing legislation. I wholeheartedly support the extension and liberalization of this legislation. There is a manifest need for continued and improved Federal activity in this area.

The bill we are considering contains innovations which promise to improve markedly the urban renewal program. The provision of 3-percent interest, 15-year-term loans for homeowners and businesses to allow them to rehabilitate their property is a big step forward. Many people in renewal areas, especially the elderly, have been simply unable to afford the cost of rehabilitating their homes. These loans ought to be of great help in this connection. And the loan program should pay for itself many times over, because it will avoid the necessity of demolishing structures which can be brought up to renewal standards.

Another significant improvement embodied in the bill is the authorization of increased relocation payments for families, individuals, and small businesses. At present, families and individuals receive only up to \$200 for moving expenses and direct loss of property.

Small businesses receive up to \$3,000. Experience has shown that these amounts are insufficient. Families and individuals who move from renewal areas must often increase the amount of money they spend for housing. Small businesses which move are often faced with higher cost and a lower volume of sales.

The provisions of this bill which grant \$1,000 to displaced small businesses in addition to what they presently receive, and which authorize the payment of the first 3 months rent of displaced individuals and families will be an important liberalization of the law.

The bill also permits low income individuals displaced by governmental action to relocate in public housing. At present, such individuals must be either elderly or handicapped. Other improvements include liberalization of FHA home mortgage terms, housing assistance for the elderly and the handicapped, increased authorization for the rural housing and loan program, and grants for special training programs for local administrators of community development programs. I commend all of these provisions to the approval of my colleagues.

Mr. Chairman, the Subcommittee on Housing worked long and hard to draft legislation which not only extends important housing programs, but takes cognizance of the human problems involved in programs such as urban renewal. This bill by no means solves all of these problems. Nevertheless, it is an important step in the right direction. I congratulate the committee on this fine piece of legislation and urge its quick approval by the House.

Mr. CORMAN. Mr. Chairman, I join with my colleague, the gentleman from Florida [Mr. PEPPER], in commending the gentleman from Alabama [Mr. RAINS]. The people of my district are very grateful to him, for 90 percent of them live in homes built under legislation he authored. I urge the passage of H.R. 12175, the Housing Act of 1964. This legislation will make a major contribution to the well-being of millions of Americans. It will bolster the slum clearance program, continue the urban renewal program which has been so beneficial to Los Angeles, and authorize additional housing for the elderly and the handicapped. In 1964 every citizen is entitled to good housing. This bill will go far toward achieving that goal.

I am pleased the Committee on Banking and Currency accepted my bill, H.R. 5544, to permit certain home improvement loans to be insured under the Housing Act. This bill, incorporated in section 110 of the committee bill, will be a valuable aid to property owners in Los Angeles and other areas who are liable for the cost of sidewalks, curbs, and other public improvements.

Mr. Chairman, the committee has written a fine bill. It is worthy of our complete support. It is by legislation such as this that the Congress meets its responsibilities to the people of the Nation.

Mr. RYAN of New York. Mr. Chairman, I support H.R. 12175, the Housing Act of 1964. It is essential to enact its provisions extending existing programs, including public housing, housing for the elderly, and urban renewal. The new features, such as housing assistance for the handicapped are very important. However, at the same time I must admit my disappointment in the limited scope of the bill.

It is tragic that we have both the know-how and means to solve almost all our housing problems, and, yet we lack the will.

I appeared before the Subcommittee on Housing in February of this year to support the administration's housing

bill—H.R. 9571. That bill was, as I stated at the time, minimum legislation. I urged that it be expanded and improved. But that bill has been abandoned to the detriment of the hopes of millions of ill-housed Americans.

Others also appeared before the House committee to plead for an expanded public housing program and corrective legislation to recommit the urban renewal program to the improvement of the living environment of the Nation's poor.

This administration and the Democratic Party in both Houses should present to the people of this country a housing proposal in keeping with the spirit of the New Frontier. The 88th Congress should deliver on the long overdue promise of a decent home for every American.

We ought to be on our way to a new understanding of housing and what it means to the desperate and alienated people in our urban ghettos.

Instead of this, I am confronted with a paradox. I must now argue for the passage of a substitute housing measure, H.R. 12175, which in no way meets the need for a comprehensive housing program for the United States.

It is called a barebones bill. It is that and will certainly be taken as such by the millions who are living in poverty. Here we have a measure that will take care of about 35,000 needy families when 36 million persons in the United States are living in housing that is either dilapidated, deteriorating, or lacking basic plumbing facilities.

Can we do any better? The National Association of Housing and Redevelopment Officials thinks so. In this year's hearings on the Omnibus Housing Act, their president, Ira S. Robbins, recommended a \$2 million survey of public housing need and an additional 200,000 public housing units over the next 2 years. Furthermore, Mr. Robbins stated that "the recommendations of the administration bill for 60,000 units of low-income housing a year is simply not enough; in fact, it is utterly inadequate."

Boris Shishkin, housing expert with the AFL-CIO, agrees with Mr. Robbins. During the hearings he told the committee:

On the basis of our careful and conservative examination of the problem, and of the indications of the most immediate and urgent need expressed by the local housing authorities themselves, we strongly and urgently recommend an authorization for construction of 100,000 new housing units per year for a period of 5 years.

Mr. Shishkin added:

In making this recommendation, I emphasize its carefully measured and extremely conservative character. We believe it to be the absolute minimum that must be met if the public interest is to be served.

To further emphasize the conservative character of Mr. Shishkin's estimate, I call your attention to the fact that Paget L. Alves of the National Urban League has urged Congress to increase the authorization for low-income units to 400,000 annually for the next 5 years. Mr. Alves pointed out:

The 1960 census reports there were a total of 13.9 million families, some 31 percent,

with incomes under \$4,000 a year. Eighty-one percent, or 11.3 million were white families. Six and a third million, or 45 percent of the 13.9 million were living in substandard housing. White families were approximately 69 percent, or 4.4 million, and non-whites were approximately 30 percent, or 1.9 million families. At the proposed allocation of 60,000 public housing units a year, it will take us about 100 years to house these families adequately.

We are now about to extend this time schedule up to somewhere between 100 and 150 years, depending on what emergency action is taken next session. After all, what is a 100 years in the life of a civilized nation?

I have heard sophisticated remarks about next year, or the year after, about what we can get through Congress this session, and the compromises that are necessary. These excuses fall hard and cold on the ears of a young Harlemiter, or an older man who can not house his family.

However, H.R. 12175 is now before the House. It extends the public housing program and increases the urban renewal authorization by some \$600 million. In addition, the bill contains a number of amendments designed to improve FHA sales and rental housing programs and other sections providing additional authorizations for open-space, senior citizens housing, public works planning, and rural housing programs.

Though far below what the President asked for in early 1964, and even further below what leading witnesses before the subcommittee on Housing estimated actual need to be, this measure is, nevertheless, necessary to prevent a virtual halt in Federal housing activity.

I am pleased that the Subcommittee on Housing has included FHA-insured supplemental loans to management-type cooperatives to finance the purchase and sale of memberships in the cooperatives. I have long advocated the use of the FHA concept to promote home ownership in our Nation's cooperative apartments. This measure should have an expansive effect on the production of cooperatives in the country's middle income market.

I am also pleased that the home improvement loan insurance program will be liberalized under this bill, so that the benefits of this FHA program will extend to the gray areas of the Nation that have, thus far been excluded. The removal of "economic soundness" as the criterion and its replacement with the term "acceptable risk" will bring this program to many potential slum areas and save them from the bulldozer.

Another commendable addition to our housing legislation is the provision of H.R. 12175 which would make individual elderly persons eligible to purchase or occupy housing for low and moderate income families financed with mortgages insured by the FHA under the section 221 program. There were 2,773,000 deficient housing units in 1960, headed by persons over 65. The extension of the senior citizens loan program for another year, also provided for in H.R. 12175, will be of even greater benefit to the Nation's elderly.

I also support the provision in H.R. 12175, which would authorize a new program of rehabilitation loans to aid

homeowners and businesses in urban renewal areas to improve their properties. This section would restore interest in preserving the character of many neighborhoods, and put a much needed roadblock in the path of the total clearance approach to urban renewal.

Another provision in H.R. 12175 would tighten relocation requirements in urban renewal developments. I have long supported this, and have, in fact, introduced legislation to that effect. It is hoped that this section will put some limitations on the haphazard way some local authorities are moving the impoverished from slum to slum.

These are all good provisions of this bill. They all deserve our support. But, what about all those things that have been left out? Where is the 2-year supplemental relocation payment program which would provide relocation payments equal to the difference between rentals on standard housing in their communities and 20 percent of their gross income?

Under H.R. 12175, increased relocation payments for individuals and families are far less flexible than those requested by the President. In lieu of the President's 2-year plan, the bill offers 3 months' rent payment up to \$200 in addition to the \$200 for moving expenses. However, it must be admitted that this is better than no increase at all.

The same thing applies to the President's request for a separation payment for small business of up to \$2,500 upon displacement from an urban renewal project. This provision has been changed to \$1,000, but, again, I must admit, even this payment will be a great help.

I am especially distressed that no provision has been included in this bill which will put an end to the building of luxury housing on urban renewal land.

How many times during the last two Congresses have I spoken about the construction of high-rise luxury apartments on land that formerly housed poverty stricken slum dwellers? I have called attention to the Manhattantown scandal, where luxury housing was finally built on urban renewal land with rents beginning at \$49 per room, and the Washington Square Village development where apartments rent for as much as \$246 per room per month?

Meanwhile, New York City continues to be vitally affected by the urban renewal program. According to the December 31, 1963, project directory of URA, New York City has 24 projects involving the clearance or rehabilitation of over 600 acres of land. More important, these areas contain, or did at one time contain, over 23,000 people. It is the interests of these people that should come first.

I will continue to fight for legislation to restrict the building of luxury apartments on urban renewal land, just as I have in the past. I will continue to speak—at length—on the subject until I have made the point that the urban renewal program must be for the ill-housed in our urban cores, for middle- and low-income people.

Of course, I support the extension of the public housing program authorized by H.R. 12175, and the increased authorization which will enable us to build 35,000 new housing units per year. I must add, however, that I do so with a sense of great frustration.

I have already mentioned the total inadequacy of the original public housing proposal made by the administration. Let me tell you what this unbelievably low authorization will mean to my constituents.

As you know, I represent a district in Manhattan, which is 100 percent urban in character. Not only is it 100 percent urban, but it is also 100 percent urban core. My district is on Manhattan Island. When we speak in general terms about the problems of the urban core, we are speaking specifically about the problems that are characteristic of my district.

Census data for 1960 show 96 million people living in urbanized areas. Of that 96 million, 58 million live in central cities and 38 million live on the urban fringe. So, despite the great increase in the population of our suburban society, we must recognize the fact that most of our urban citizens still live in the central city.

We should also realize that, on the whole, they make less money, live under more crowded conditions, and suffer more unemployment than their suburban counterparts.

Let us focus our attention on the island of Manhattan. To many people this is New York. It is host to most of the World's Fair visitors, but it is also the home of over 57,000 unemployed people, and over 90,000 families, 22 percent of all Manhattan families, with incomes under \$3,000.

Under H.R. 12175, New York State, let alone New York City, will be eligible for only 5,250 new public housing units during the next year, due to the 15-percent limitation on public housing going to any one State. This 15 percent restriction should be eliminated, and I have introduced H.R. 5877 to remove it.

In 1963 alone, New York City received 97,568 applications for public housing and could accommodate but 11,115 families. This backlog grows day by day.

Last year Mayor Wagner pointed out:

We still have slums in New York City. In fact, according to the 1960 census more than 500,000 housing units in New York City are deteriorating or in substandard condition. More than 276,000 such units are dilapidated or without essential plumbing facilities. Moreover, according to the 1960 census, and here is a key fact, 79 percent of all families now living in substandard quarters have incomes of less than \$5,000 per year. In summary, there are a minimum of 200,000 ill-housed, low-income families in New York City whose only prospect for improving their housing consists of low-rent public housing.

Mr. Chairman, I am the author of legislation (H.R. 4581) to authorize Federal participation in the cost of acquiring air rights as part of an urban renewal project. Air rights can be used very effectively in urban renewal development, particularly in our major cities where open space is either nonexistent or at a heavy premium.

I understand that the Senate bill (S. 3049) includes a section addressed to the question of air rights. It extends title I assistance to the construction of buildings and platforms over railroad yards and tracks and highways.

I hope that in conference an air-rights provision will be written into the final bill. In congested areas air rights offer a unique opportunity to construct middle-income and low-income housing.

Mr. Chairman, I hope that my words will be heeded not so much by the opponents of housing legislation, but by its friends. If we do not respond to the housing needs of our cities, we will pay a heavy price. I hope that my words will not be misunderstood. I simply believe that decent housing for all Americans is an obligation of our society which Congress must fully meet.

Mr. WIDNALL. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time having expired, the Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Act of 1964".

TITLE I—AMENDMENTS TO THE NATIONAL HOUSING ACT

Mortgage limits for homes under section 203 programs

SEC. 101. (a) Section 203(b)(2) of the National Housing Act is amended—

(1) by striking out "\$25,000", "\$27,500", "\$27,500", and "\$35,000" and inserting in lieu thereof "\$30,000", "\$32,500", "\$32,500", and "\$37,500", respectively; and

(2) by striking out "90 per centum", "90 per centum", and "75 per centum" and inserting in lieu thereof "92 per centum", 92½ per centum, and "80 per centum", respectively.

(b) Section 203(i) of such Act is amended by striking out "\$9,000" and inserting in lieu thereof "\$11,000".

Home improvement loans outside of urban renewal areas

SEC. 102. Section 203(k) of the National Housing Act is amended by striking out "economically sound" in clause (2) of the first sentence and inserting in lieu thereof "an acceptable risk".

Additional relief for home mortgagors in default due to circumstances beyond their control

SEC. 103. (a) Section 204(a) of the National Housing Act is amended by striking out the fourth proviso and inserting in lieu thereof the following: "And provided further, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor, he may, upon such terms and conditions as he may prescribe, (1) approve the request of the mortgagee for an extension of the time for the curing of the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property to such time as the Commissioner may determine is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means the Commissioner is authorized to include in the debentures an amount equal to any unpaid mortgage inter-

est, or (2) approve a modification of the terms of the mortgage for the purpose of changing the amortization provisions by recasting, over the remaining term of the mortgage or over such longer period as may be approved by the Commissioner, the total unpaid amount then due, as determined by the Commissioner, with the modification to become effective currently or to become effective upon the termination of an agreed-upon extension of the period for curing the default; and the principal amount of the mortgage, as modified, shall be considered to be the 'original principal obligation of the mortgage' as that term is used in this Act for the purpose of computing the total face value of the debentures to be issued or the cash payment to be made by the Commissioner to a mortgagee".

(b) Section 230 of such Act is amended by striking out the first sentence and inserting in lieu thereof the following: "Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner, in his discretion and for the purpose of avoiding foreclosure of the mortgage, and notwithstanding the fact that he has previously approved a request of the mortgagee for an extension of the time for curing the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, or has approved a modification of the mortgage for the purpose of changing the amortization provisions by recasting the unpaid balance, may acquire the loan and security therefor upon payment of the insurance benefits in an amount equal to the unpaid principal balance of the loan plus any unpaid mortgage interest plus reimbursement for such costs and attorney's fees as the Commissioner finds were properly incurred in connection with the defaulted mortgage and its assignment to the Commissioner, and for any proper advances theretofore made by the mortgagee under the provisions of the mortgage. After the acquisition of such mortgage by the Commissioner, the mortgagee shall have no further rights, liabilities, or obligations with respect thereto."

Maximum amount of section 207 rental housing mortgages

SEC. 104. Section 207(c)(2) of the National Housing Act is amended by striking out all that follows the first colon and precedes "to mortgages on housing in Alaska", and inserting in lieu thereof the following: "Provided, That this limitation shall not apply".

Family unit limits on FHA rental housing

SEC. 105. (a) Section 207(c)(3) of the National Housing Act is amended by striking out the first paragraph and inserting in lieu thereof the following:

"(3) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms or not to exceed \$1,800 per space or \$500,000 per mortgage for trailer courts or parks; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher cost incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limita-

tions contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require."

(b) Section 213(b)(2) of such Act is amended by striking out all that precedes the third proviso and inserting in lieu thereof the following:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms, and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided*, That as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further*, That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require".

(c) Section 220(d)(3)(B)(iii) of such Act is amended to read as follows:

"(iii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require: *Provided*, That nothing contained in this subparagraph shall preclude the insurance of mortgages covering existing multifamily dwellings to be rehabilitated or reconstructed for the purposes set forth in subsection (a) of this section; and".

(d)(1) Section 221(d)(3)(ii) of such Act is amended to read as follows:

"(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit

with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require; and".

(2) Section 221(d)(4)(ii) of such Act is amended to read as follows:

"(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require;".

(e) Section 231(c)(2) of such Act is amended to read as follows:

"(2) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require;".

(f)(1) Clause (2) in the first sentence of section 810(f) of such Act is amended by striking out "\$2,500 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit)" and inserting in lieu thereof "\$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms".

(2) The second sentence of section 810(f) of such Act is amended to read as follows: "The Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require."

Supplemental cooperative loans under section 213(j)

SEC. 106. (a) Section 213(j)(1) of the National Housing Act is amended—

(1) by striking out "or" at the end of clause (A);

(2) by striking out the period at the end of clause (B) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new clause:

"(C) Cooperative purchases and resales of memberships in order to provide necessary refinancing for resales of memberships which involve increases in equity; but in such resales by the cooperative the downpayments by the new members shall not be less than those made on the original sales of such memberships."

(b) Section 305(e) of such Act is amended by adding at the end thereof the following new sentence: "Without regard to any of the limitations of this subsection except the total amount of authorizations available, the Association is authorized to enter into advance commitment contracts and purchase transactions on supplementary cooperative loans with respect to which the Federal Housing Commissioner shall have issued, pursuant to section 213(j), either a commitment to insure or a statement of eligibility; but such commitments and purchases shall be made solely where there is a management-type cooperative involved which is certified by the Federal Housing Commissioner as a consumer cooperative."

Mutuality for management-type cooperatives

SEC. 107. (a) Section 213 of the National Housing Act is amended by adding at the end thereof the following new subsections:

"(k) There is hereby created a Cooperative Management Housing Insurance Fund (hereinafter referred to as the 'Management Fund'). The Management Fund shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section with respect to mortgages or loans insured, on or after the date of the enactment of this subsection, under subsections (a)(1), (a)(3) (if the project is acquired by a cooperative corporation), (i), and (j). The Management Fund shall also be used as a revolving fund for mortgages, loans, and commitments transferred to it pursuant to subsection (m). The Commissioner is directed to transfer to the Management Fund from the Housing Insurance Fund established pursuant to section 207(f) such amount as the Commissioner determines to be necessary and appropriate. General expenses of operation of the Federal Housing Administration relating to mortgages or loans which are the obligation of the Management Fund may be charged to the Management Fund."

"(l) The Commissioner shall establish in the Management Fund, as of the date of the enactment of this subsection, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Management Fund, in any semiannual period, shall be credited or charged to the General Surplus Account or the Participating Reserve Account or both in such manner and amounts as the Commissioner may determine to be in accord with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Management Fund by payment of any mortgage or loan insured under this section, and at such time or times prior to such termination as the Commissioner may determine, the Commissioner is authorized to distribute to the mortgagor or borrower a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting prac-

tice: *Provided*, That in no event shall the amount of the distributable share exceed the aggregate scheduled annual premiums of the mortgagor or borrower to the year of payment of the share less the total amount of any share or shares previously distributed by the Commissioner to the mortgagor or borrower: *And provided further*, That in no event may a distributable share be distributed until any funds transferred to the Management Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor, mortgagee, borrower, or lender shall have any vested right in a credit balance in any such account or be subject to any liability arising out of the mutuality of the Management Fund. The determination of the Commissioner as to the amount to be paid by him to any mortgagor or borrower shall be final and conclusive.

"(m) The Commissioner is authorized to transfer to the Management Fund commitments for insurance issued under subsections (a)(1)(i), and (j) prior to the date of the enactment of this subsection, and to transfer to the Management Fund the insurance of any mortgage or loan insured prior to the date of the enactment of this subsection under subsection (a)(1), (a)(3) (if the project is acquired by a cooperative corporation), (i), or (j), but only in cases where the consent of the mortgagee or lender to the transfer is obtained or a request by the mortgagee or lender for the transfer is received by the Commissioner within such period of time after the date of the enactment of this subsection as the Commissioner shall prescribe: *Provided*, That the insurance of any mortgage or loan shall not be transferred under the provisions of this subsection if on the date of the enactment of this subsection the mortgage or loan is in default and the mortgagee or lender has notified the Commissioner in writing of its intention to file an insurance claim. Any insurance or commitment not so transferred shall continue to be an obligation of the Housing Insurance Fund.

"(n) Notwithstanding the limitations contained in other provisions of this Act, premium charges for mortgages or loans insured under sections 207, 213, 231, and 232 may be payable in debentures issued in connection with mortgages or loans transferred to the Management Fund or in connection with mortgages or loans insured pursuant to commitments transferred to the Management Fund, as provided in subsection (m) of this section."

(b) Section 213 of such Act is further amended—

(1) by inserting before the period at the end of subsection (a) the following: "*Provided*, That as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund, the reference to the Housing Fund in section 207(b)(2) shall be construed to refer to the Management Fund"; and

(2) by inserting before the period at the end of subsection (e) the following: "*Provided*, That as applied to mortgages or loans the insurance for which is the obligation of the Management Fund (1) all references to the Housing Insurance Fund or Housing Fund shall be construed to refer to the Management Fund, and (2) all references to section 207 shall be construed to refer to subsections (a)(1), (a)(3) (if the project involved is acquired by a cooperative corporation), (i), and (j) of this section."

(c) Section 207(f) of such Act is amended by inserting at the end thereof the following new sentence: "This subsection shall not be applicable to a mortgage or loan, insured under section 213, the mortgage or loan insurance for which is the obligation of the Cooperative Management Housing Insurance Fund."

(d) Section 219 of such Act is amended by striking out "or the Servicemen's Mortgage Insurance Fund" and inserting in lieu thereof "the Servicemen's Mortgage Insurance Fund, or the General Surplus Account of the Cooperative Management Housing Insurance Fund."

Mortgage limits under section 220 sales housing mortgage insurance program

SEC. 108. Section 220(d)(3)(A)(i) of the National Housing Act is amended—

(1) by striking out "\$25,000", "\$27,500", "\$30,000", "\$35,000", and "\$35,000" and inserting in lieu thereof "\$30,000", "\$32,500", "\$32,500", "\$37,500", and "\$37,500", respectively; and

(2) by striking out "90 per centum", "90 per centum", and "75 per centum" and inserting in lieu thereof "92 per centum", "92½ per centum", and "80 per centum", respectively.

Mortgage limits under section 220 multifamily housing mortgage insurance program

SEC. 109. Section 220(d)(3)(B)(i) of the National Housing Act is amended by striking out "\$20,000,000" and inserting in lieu thereof "\$30,000,000".

Loans to cover the cost of public improvements

SEC. 110. (a) The second sentence of section 220(h)(1) of the National Housing Act is amended to read as follows: "As used in this subsection—

"(A) the term 'home improvement loan' means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made—

"(i) for the purpose of financing the improvement of an existing structure (or in connection with an existing structure) which was constructed not less than ten years prior to the making of such loan, advance of credit, or purchase, and which is used or will be used primarily for residential purposes: *Provided*, That a home improvement loan shall include a loan, advance, or purchase with respect to the improvement of a structure which was constructed less than ten years prior to the making of such loan, advance, or purchase if the proceeds are or will be used primarily for major structural improvements, or to correct defects which were not known at the time of the completion of the structure or which were caused by fire, flood, windstorm, or other casualty; or

"(ii) for the purpose of enabling the borrower to pay that part of the cost of the construction or installation of sidewalks, curbs, gutters, street paving, street lights, sewers, or other public improvements, adjacent to or in the vicinity of property owned by him and used primarily for residential purposes, which is assessed against him or for which he is otherwise legally liable as the owner of such property;

"(B) the term 'improvement' means conservation, repair, restoration, rehabilitation, conversion, alteration, enlargement, or remodeling; and

"(C) the term 'financial institution' means a lender approved by the Commissioner as eligible for insurance under section 2 or a mortgagee approved under section 203(b)(1)."

(b) Section 220(h)(2)(i) of such Act is amended by inserting before the semicolon at the end thereof the following: "and be limited as required by paragraph (11)".

(c) Section 220(h) of such Act is further amended by adding at the end thereof the following new paragraph:

"(11) Notwithstanding any other provision of this Act, no home improvement loan made in whole or in part for the purpose specified in clause (A) (ii) of the second sentence of paragraph (1) shall be insured

under this subsection if such loan (or the portion thereof which is attributable to such purpose), when added to the aggregate principal balance of any outstanding loans insured under this subsection or section 203(k) which were made to the same borrower for the purpose so specified (or the portion of such aggregate balance which is attributable to such purpose), would exceed \$10,000."

Home improvement loans on property held under lease

SEC. 111. Section 220(h)(2)(vi) of the National Housing Act is amended by striking out "a period of not less than 50 years to run from the date of the loan" and inserting in lieu thereof "an expiration date in excess of 5 years later than the maturity date of the loan".

Private mortgagors under section 221(d)(3)

SEC. 112. Section 221(d)(3) of the National Housing Act is further amended by inserting after "section" in the matter preceding clause (i) the following: "or a mortgagor approved by the Commissioner which (A) as a condition of obtaining the insurance of a mortgage under this section, and prior to the submission of its application for such insurance, has entered into an agreement, in form and substance satisfactory to the Commissioner, to sell the property or project covered by such mortgage (upon its completion) to a private nonprofit corporation, association, or other mortgagor approved by the Commissioner at the actual cost of the property or project as certified pursuant to section 227, and (B) is regulated or supervised by the Commissioner, under a regulatory agreement or otherwise, as to rents, charges, and methods of operation in such form and in such manner as in the opinion of the Commissioner will effectuate the purposes of this section".

Mortgage insurance for servicemen

SEC. 113. Section 222(b) of the National Housing Act is amended—

(1) by striking out "203(b) or 203(i)" in paragraph (1) and inserting in lieu thereof "203(b), 203(i), or 221(d)(2)"; and

(2) by striking out "such principal obligation shall not exceed \$9,000" in paragraph (2) and inserting in lieu thereof "or section 221(d)(2) such principal obligation shall not exceed the maximum limits prescribed for such section".

Private financing of sale of FHA-acquired properties

SEC. 114. Section 223(c) of the National Housing Act is amended by striking out "limitation upon eligibility contained in this title II" and inserting in lieu thereof the following: "limitations or requirements contained in this title upon the eligibility of the mortgage, upon the payment of insurance premiums, or upon the terms and conditions of insurance settlement and the benefits of the insurance to be included in such settlement (except that in any case the payment of insurance shall be in debentures)".

Mortgage insurance for nonprofit nursing homes

SEC. 115. Section 232(b)(1) of the National Housing Act is amended by inserting after "proprietary facility" the following: "or facility of a private nonprofit corporation or association".

Experimental housing

SEC. 116. (a) Section 233(a) of the National Housing Act is amended by striking out "in the case of mortgages insured under subsection (b)(2) of this section,".

(b) Section 233(b) of such Act is amended to read as follows:

"(b) To be eligible for insurance under this section, a mortgage shall meet the re-

quirements of one of the other sections of this title; except that, in determining the appraised value or the replacement cost of the property in cases involving new construction or the estimated cost of repair and rehabilitation or improvement in cases involving existing properties, the Commissioner's estimate may be based upon an estimate of the cost of replacing the property using comparable conventional design, materials, and construction, and any limitation upon the maximum mortgage amount available to a nonoccupant owner shall not, in the discretion of the Commissioner, be applicable to mortgages insured under this section."

(c) Section 233 of such Act is further amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

"(e) Any mortgagee under a mortgage insured under subsection (b) shall be entitled to insurance benefits determined in the same manner as such benefits would be determined if such mortgage or loan were insured under the section of this title for which it otherwise would have been eligible except for the experimental feature of the property involved."

(d) Section 233 of such Act is further amended by redesignating subsections (g) and (h) as subsections (f) and (g), respectively, and by striking out "subsections (e) and (f)" in the first sentence of the subsection so redesignated as subsection (f) and inserting in lieu thereof "subsection (e)".

Mortgage insurance for condominiums

SEC. 117. (a) Section 234 of the National Housing Act is amended—

(1) by striking out the heading and inserting in lieu thereof "MORTGAGE INSURANCE FOR CONDOMINIUMS";

(2) by striking out "structure" each place it appears and inserting in lieu thereof "project" (and by striking out "structures" in the last sentence of subsection (c) and inserting in lieu thereof "projects");

(3) by striking out "the term 'mortgage' for the purposes of this section" in subsection (b) and inserting in lieu thereof "the term 'mortgage' for the purposes of subsection (c)";

(4) (A) by striking out "this section" each time it appears in subsection (c) and inserting in lieu thereof "this subsection";

(B) by striking out "under another section" in the first sentence of subsection (c) and inserting in lieu thereof "under any section";

(5) by striking out "section 213" each time it appears in subsection (c) and inserting in lieu thereof "section 213(a) (1) and (2)";

(6) by striking out the third sentence of subsection (c) and inserting in lieu thereof the following: "To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed \$30,000, and not to exceed the sum of (i) 97 per centum of \$15,000 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of \$15,000 but not in excess of \$20,000, and (iii) 80 per centum of such value in excess of \$20,000, and (B) have a maturity satisfactory to the Commissioner, but not to exceed, in any event, thirty-five years from the date of the beginning of amortization of the mortgage or three-fourths of the Commissioner's estimate of the remaining economic life of the project, whichever is the lesser.";

(7) by redesignating subsection (d) as subsection (g), by redesignating subsections (e) and (f) as subsections (i) and (j), respectively, and by inserting after subsection (c) the following new subsections:

"(d) In addition to individual mortgages insured under subsection (c), the Commissioner is authorized, in his discretion and under such terms and conditions as he may prescribe, to insure blanket mortgages (including advances on such mortgages during construction) which cover multifamily projects to be constructed or rehabilitated in cases where the mortgage is held by a mortgagor, approved by the Commissioner, which—

"(1) has certified to the Commissioner, as a condition of obtaining the insurance of a blanket mortgage under this subsection, that upon completion of the multifamily project covered by such mortgage it intends to commit the ownership of the multifamily project to a plan of family unit ownership under which each family unit would be eligible for individual mortgage insurance under subsection (c) and will faithfully and diligently make and carry out all reasonable efforts to establish such plan of family unit ownership and to sell such family units to purchasers approved by the Commissioner; and

"(2) shall be regulated or restricted by the Commissioner as to rents, charges, capital structure, rate of return, and methods of operation until the termination of all obligations of the Commissioner under the insurance and during such further period of time as the Commissioner shall be the owner, holder, or reinsurer of the mortgage. The Commissioner may make such contracts with and acquire for not to exceed \$100 such stock or interest in such mortgagor as he may deem necessary to render effective the regulation and restriction of such mortgagor. The stock or interest acquired by the Commissioner shall be paid for out of the Apartment Unit Insurance Fund, and shall be redeemed by the mortgagor at par at any time upon the request of the Commissioner after the termination of all obligations of the Commissioner under the insurance.

"(e) To be eligible for insurance, a blanket mortgage on any multifamily project of a mortgagor of the character described in subsection (d) shall involve a principal obligation in an amount—

"(1) not to exceed \$20,000,000, or not to exceed \$25,000,000 if the mortgage is executed by a mortgagor regulated or supervised, under Federal or State law or by a political subdivision of a State or an agency thereof, as to rents, charges, and methods of operation;

"(2) not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the project when the proposed physical improvements are completed;

"(3) not to exceed, for such part of the project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require; and

"(4) not to exceed an amount equal to the sum of the unit mortgage amounts determined under the provisions of subsection

(c) assuming the mortgagor to be the owner and occupant of each family unit.

"(f) Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such term as the Commissioner may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 5¼ per centum per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the blanket mortgage upon such terms and conditions as he may prescribe and the blanket mortgage may provide for such release. The project covered by the blanket mortgage may include five or more family units and such commercial and community facilities as the Commissioner deems adequate to serve the occupants.";

(8) by striking out "this section" each time it appears in the subsection redesignated as subsection (g) by paragraph (7) of this subsection and inserting in lieu thereof "subsection (c) of this section";

(9) by inserting after the subsection redesignated as subsection (g) by paragraph (7) of this subsection the following new subsection:

"(h) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall be applicable to mortgages insured under subsection (d) of this section, except that all references to the Housing Insurance Fund, or Housing Fund, shall be construed to refer to the Apartment Unit Insurance Fund."; and

(10) by amending the subsection redesignated as subsection (j) by paragraph (7) of this subsection to read as follows:

"(j) The provisions of sections 225 and 230 shall be applicable to the mortgages insured under subsection (c) of this section."

(b) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: "The provisions of this section shall also apply to the insurance of any mortgage under section 234(d)."

(c) Section 227(a) of such Act is amended by striking out "or (vii)" and inserting in lieu thereof "(vii)", and by inserting before the semicolon at the end thereof ", or (viii) under section 234(d)".

Prepayment of mortgages by nonprofit educational institutions

SEC. 118. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"Prepayment of mortgages by nonprofit educational institutions"

"SEC. 517. (a) Notwithstanding any other provision of this Act, no adjusted premium charge shall be collected in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor certifies to the Commissioner that the loan was paid in full by or on behalf of a nonprofit educational institution which intends to use the property for educational purposes.

"(b) The Commissioner shall refund any adjusted premium charge collected subsequent to July 1, 1962, and prior to the date of the enactment of the Housing Act of 1964, in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor under such mortgage makes the certification prescribed by subsection (a)."

Increase in number of units insurable under section 810 program

SEC. 119. Section 810(i) of the National Housing Act is amended by striking out "five thousand dwelling units" and inserting in lieu thereof "ten thousand dwelling units".

Mr. RAINS (interrupting the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

AMENDMENT OFFERED BY MR. OLIVER P. BOLTON

Mr. OLIVER P. BOLTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OLIVER P. BOLTON: On page 32, after line 5 insert the following new section:

"GENERAL FHA MORTGAGE INSURANCE
AUTHORIZATION

"SEC. 120. Section 217 of the National Housing Act is amended to read, as follows:

"GENERAL MORTGAGE INSURANCE AUTHORIZATION

"SEC. 217. Notwithstanding any other limitations contained in this Act on the aggregate amount of principal obligations of mortgages or loans which may be insured (or insured and outstanding at any one time), the aggregate amount of the principal obligations of all mortgages and loans which may be insured and outstanding at any one time after October 1, 1965, under insurance contracts pursuant to the provisions of this Act other than section 2, section 221, and title VIII, plus the aggregate amount of the principal obligations of all mortgages and loans covered by commitments to insure pursuant to any of such provisions which may be outstanding at such time, shall not exceed the sum of the outstanding principal balances of all mortgages and loans insured pursuant to such provisions as of October 1, 1965 (as estimated by the Commissioner on the basis of scheduled amortization payments without taking into account prepayments or delinquencies), and the principal amount of all outstanding commitments to insure pursuant to such provisions as of that date."

Mr. OLIVER P. BOLTON. Mr. Chairman, this is the amendment to which I made reference a few short moments ago. This amendment would restore to the Federal Housing Administration the basic authority which until passage of the Housing Act of 1961 it always had, to use returning insurance authority to issue and honor commitments to insure after reaching its total dollar ceiling, or expiration date, as set by the Congress.

The significance and purpose of the amendment is to assure that the Federal Housing Administration can continue in existence as an insurance agency and yet, at the same time, not exceed the ceiling limits beyond its total insurance authority as authorized by the Congress.

Within the expiration date of October 1, 1965, as set by the Congress in the Housing Act of 1961, and within the total dollar ceiling as set by the Congress in the act prior to 1961, this authority would permit the FHA to continue to use, on a "rollover" basis, the insurance authority which is derived from cancellations of existing commitments and payoff of insured mortgage loans, resulting in release of committed insurance authority.

I say again what I said a bit earlier. If we are to have a steady guarantee by FHA for the housing business next year, it seems to me that we must extend its life now so that committing groups and

financing groups will know that such guarantees will be available. If such priorities must be rushed now, every FHA office will be clogged to death between now and the first of October.

The language as used in this amendment is the language which was adopted by the House. It was adopted in the Housing Act of 1961. That is why I chose this way of insuring the continuance of the FHA.

The question is quite simple, it seems to me. Either we are for FHA, we are for a steady and sure position in the guarantee of mortgages and loans, we are for the building of a continually better housing industry and against creating any crisis in that industry which could affect the industry in the next year, or we are against a smooth continuation of this program.

Mr. Chairman, I yield back the remainder of my time.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the truth is I regret that this amendment comes up. As has been said all the way through, we have practically unanimous agreement on this bill in the committee. I regret also to oppose it because of my personal esteem for the distinguished gentleman from Ohio. But this is not a good amendment. This amendment is diametrically opposed to the usual belief of my distinguished friend over here.

This amendment seeks to release from the Congress of the United States the control of a Government agency and turn it over to a bureaucracy. This amendment seeks to do that which we so often have said we did not want to do, that is, release from congressional control the creation of the creature of congressional control.

I am quite sure my distinguished friend did not realize he had in this amendment a statement right at the bottom of the page that would mean perpetual extension of FHA. I read, and I do not know who wrote it, but I call your attention to the fact that it says, "and the principal amount of all outstanding commitments."

Under the usual operation as it has been in days gone by of the FHA, that would likely carry FHA for from 5 to 10 years without coming back to the Congress of the United States. I have just read that out of the amendment, and it says, "and the principal amount of all outstanding commitments." The last time we tried this there were over \$3.5 billion of outstanding commitments. When we tried to roll over one time the result was great confusion.

I hope you will listen to this. This amendment was not even discussed in either the Housing Subcommittee or the Committee on Banking and Currency. This is an exercise in futility.

The Senate of the United States has passed a bill that does not have it in it. Next year there is to be a housing bill. I have been around here long enough to know that you are not going to be able to extend one section of the housing bill beyond the expiration date of the other, not through both bodies of this Congress of the United States. So what I am try-

ing to do here is to talk actual facts about it. I am not against FHA. I never have been. I know the gentlemen over here are not.

However, what we are doing is arguing about something that has nothing to do with the merits of FHA. The simple truth of the business is this: that if we are not to keep congressional control of FHA, then why keep congressional control of community facilities? Why keep congressional control of public housing? Why keep congressional control of urban renewal. You must remember that FHA puts a tremendous contingent liability on the Government of the United States. It is true that up to now the Government has not lost any money on FHA. But if the day should ever come when that contingent liability should be called this Congress would be called on to pick up the tab. Therefore, this Congress, as we are wont to do on every issue, should keep its finger on any place where this Government has to pick up the tab if something goes wrong.

So it seems to me that we are right back dealing with a fundamental fact. Are we in order to take one particular segment of the housing bill and provide an almost perpetual continuation? Are we willing to do that? Are we willing to say to FHA with all the dangers that may be involved—are we willing to turn it loose for 4 years? Stop and think about that before you go too far with a bureaucracy that would have total control of it for 4 years or 2 years or 3 years.

No, this has something else back of it. This actually is the dream that there ought to be some way to have housing bills voted on piecemeal; bring in one bill on public housing, bring in another one for FHA, bring in another one on urban renewal. I have had this suggested to me by groups many, many times over. But you cannot legislate like that. You have to face the general overall problem of housing as it affects the whole country. The Congress, I repeat, certainly does not want to give up prerogatives that it cherishes so much.

Mr. MULTER. Mr. Chairman, I move to strike out the last word.

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

Mr. MULTER. Mr. Chairman, the distinguished gentleman from Alabama [Mr. RAINS] has already made the point that there was not a word of testimony offered to the committee in support of this amendment. I want to call your attention to the fact that the testimony makes up a volume of almost 1,000 pages that the committee took in connection with this bill; and I repeat, not a word of testimony was offered, not a single request was made of the subcommittee to consider this amendment.

As has already been indicated, this program has been a very smooth operation ever since it was brought into being. The distinguished gentleman from Ohio [Mr. OLIVER P. BOLTON], is mistaken when he says that the housing bill always comes in at the end of a session and you have not got enough time to consider it. The fact of the matter is that in 1959 the major housing bill came

in and was passed in June of 1959. In 1961 the major housing bill was brought in and passed in June of 1961.

Let me recall to the committee that there was a time when we did not have the control over FHA that we have now and which would be eliminated if this amendment prevails. FHA went overboard, made commitments over and beyond the amount that was authorized and in order to be able to make good their unauthorized commitments we had to pass retroactive legislation to bail out FHA.

This agency must know that we expect it to stay within the limits of the law and make its commitments within the limits of the law. So long as it is doing the right job we will continue to extend the authority of this agency and keep it a smooth-running operation.

Let me say also to the gentleman from Ohio and to the rest of the committee that I am sure nobody in this House wants to preclude the new Congress that comes in next year, even though it may include most of us or many of us, from reviewing this whole program and saying whether or not it should continue or should not continue.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. Surely, I yield to the gentleman from Ohio.

Mr. OLIVER P. BOLTON. As a long-time member of the committee the gentleman, of course, was on the committee when in 1961 the subcommittee adopted the language of my amendment; the Committee on Banking and Currency adopted the language, and the House adopted it.

Am I not correct that this is the first time since FHA has come up that it has approached a specific date deadline?

Mr. MULTER. That is not my recollection. I believe we have had this problem before. We have given them extensions, sometimes a temporary extension, but we have always kept the program alive and operating, operating smoothly, and there is no danger of this program being disrupted or of there not being enough money authorized for them to make advance commitments. There will always be enough money in the pipeline for them to plan ahead—and some of this planning, as the gentleman from Ohio said, requires 6 months or more. There is ample in this program to keep it running smoothly and planning ahead. If ever there is any danger of their running out of money, they can always come back to the Congress and we can let them obtain the proper authorization well in advance.

Mr. Chairman, I heard during the course of the debate on the rule, several Members remark about the fact that we ought to be certain that there is nothing in this bill that is going to take from the Appropriations Committee the right to review this program. If this amendment is adopted it will take that right not only away from the Committee on Appropriations but away from the Committee on

Banking and Currency and from the Congress itself.

Mr. Chairman, I note that the gentleman from Ohio is shaking his head. I would be pleased to hear an explanation from the gentleman to the contrary.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Ohio.

Mr. OLIVER P. BOLTON. The gentleman knows that there is not a word in the amendment that has anything to do with the prerogatives of the Committee on Appropriations and that this program must come under the review of the Committee on Appropriations every year for its administrative funds.

Mr. MULTER. Let us stop there.

Mr. OLIVER P. BOLTON. In addition to that—

Mr. MULTER. Let us not confuse the issue. "Administrative funds" does not mean reviewing the authorization for the insurance or grants or any other part of this program.

Mr. OLIVER P. BOLTON. That is correct.

Mr. MULTER. It is for administrative funds only. The Appropriations Committee does not have the time to review the operation of these programs or any one of them. It would need a whole year merely to review this one FHA program. Although it has the right to review the operations of the program, it limits itself to administration. It reviews the administrative problems and budgets.

Mr. OLIVER P. BOLTON. Mr. Chairman, if the gentleman will yield further, does the gentleman feel that the committee has lost control and lost touch of the college housing and loan program of \$2,875 million of back-door spending, or of the Community Facilities Administration or, for that matter, the programs as put forth for the Public Housing Administration?

Mr. MULTER. No; because there are specific limitations as to each of those programs and we must review them every year or every 2 years and then extend them if we see fit to do so. By "we," I mean both the Committees on Banking and Currency and Congress.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. OLIVER P. BOLTON].

The question was taken and the Chairman announced that the "noes" appeared to have it.

Mr. OLIVER P. BOLTON. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. PATMAN and Mr. OLIVER P. BOLTON.

The Committee divided, and the tellers reported that there were—ayes 89, noes 100.

So the amendment was rejected.

The Clerk read as follows:

TITLE II—HOUSING FOR THE ELDERLY AND HANDICAPPED

Housing for the elderly—Loan program

SEC. 201. Section 202(a) (4) of the Housing Act of 1959 is amended by striking out

"\$275,000,000" and inserting in lieu thereof "\$350,000,000".

FHA section 221 housing for low- or moderate-income elderly persons

SEC. 202. Section 221(f) of the National Housing Act is amended by adding at the end thereof the following new sentence: "Any person sixty-two years of age or over shall be deemed to be a family within the meaning of the terms 'family' and 'families' as those terms are used in this section."

Housing for the handicapped

SEC. 203. (a) (1) The heading of title II of the Housing Act of 1959 is amended by striking out "HOUSING FOR THE ELDERLY" and inserting in lieu thereof "HOUSING FOR THE ELDERLY OR HANDICAPPED".

(2) Section 202 of such Act is amended—

(A) by striking out "elderly families and elderly persons" wherever it appears in subsections (a) (1), (a) (2), and (e) and inserting in lieu thereof in each instance "elderly or handicapped families";

(B) by amending subsection (d) (1) to read as follows:

"(1) The term 'housing' means structures suitable for dwelling use by elderly or handicapped families which are (A) new structures, or (B) provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families.";

(C) by striking out the first sentence of subsection (d) (4) and inserting in lieu thereof the following: "The term 'elderly or handicapped families' means families which consist of two or more persons and the head of which (or his spouse) is sixty-two years of age or over or is handicapped, and such term also means a single person who is sixty-two years of age or over or is handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Administrator, to have a physical impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing condition.";

(D) by inserting before the period at the end of subsection (d) (7) the following: "or rehabilitation, alteration, conversion, or improvement of existing structures"; and

(E) by amending subsection (d) (8) to read as follows:

"(8) The term 'related facilities' means (A) new structures suitable for use by elderly or handicapped families as cafeterias or dining halls, community rooms or buildings, workshops, or infirmaries or other inpatient or outpatient health facilities, or other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses."

(b) The last sentence of section 221(f) of the National Housing Act (as added by section 202 of this Act) is amended by striking out "person sixty-two years of age or over" and inserting in lieu thereof "person who is sixty-two years of age or over, or who is a handicapped person within the meaning of section 202 of the Housing Act of 1959."

(c) Section 231 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any of the provisions of this section, the housing provided under this section may include family units which are specially designed for the use and occupancy of any person or family qualifying as a handicapped family as defined in sec-

tion 202 of the Housing Act of 1959, and such special facilities as the Commissioner deems adequate to serve handicapped families (as so defined). The Commissioner may also prescribe procedures to secure to such families preference or priority of opportunity to rent the living units specially designed for their use and occupancy."

(d) The second sentence of section 2(2) of the United States Housing Act of 1937 (as amended by section 401(a) of this Act) is amended by inserting after "and includes" the following: "a single person who is handicapped within the meaning of section 202 of the Housing Act of 1959 or who is".

(e) Section 207 of the Housing Act of 1961 (as amended by section 407 of this Act) is further amended by inserting before the period at the end of the first sentence the following: "and of demonstrating the types of housing and the means of providing housing that will assist low income persons or families who qualify as handicapped families as defined in section 202 of the Housing Act of 1959".

Mr. ST GERMAIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to support and urge the passage of the bill we are debating today, the Housing Act of 1964, as it will have far-reaching effects on the economy of all of our States.

In my own State of Rhode Island, our elderly are anxiously awaiting the action taken by the Congress on this legislation. The units which have already been constructed in my State were assigned to applicants long before they were completed. Enactment of this legislation which will carry forward the Nation's housing, urban renewal and community development programs, will be an integral step forward in the attainment of full employment and alleviation of poverty.

Our children and our children's children will feel the adverse effects, if our Nation's elderly do not have the security to which they are rightfully entitled. However, this bill before us today does not pretend to offer final solutions to our housing and community development problems. It represents less than the administration asked for and less than some of us on the Housing Subcommittee hoped for earlier this year, but, as it stands, it is a realistic bill, drafted and approved of by reasonable men, in response to immediate needs of the country, with an optimistic insight toward future provisions for completion of all community development.

This measure continues existing programs, long since established by the Congress, and in continuing these programs another year, the committee has made some important improvements. Among these improvements are new incentives for private industry and for local governments to act on local problems. All Federal assistance provided in the measure is offered solely to help local and State governments and private industry to do the job they cannot do with their limited resources.

I am pleased with the new provisions which will tremendously strengthen the urban renewal program. My constituents are very interested in this program, as we have achieved national recognition for our own extensive urban renewal in Providence, where nine individual projects are involved. The transitional

movement of urban renewal has given new life to building projects, public and private, providing the new look in downtown America for the three-fourths of our people who reside in urban areas. It is my strong belief that community development and urban renewal programs hold the key to the economic future of my State, and for that reason I strongly urge my colleagues to vote for this bill as it has been reported by our committee.

New provisions, which have been included by our committee, strengthen the urban renewal process in the areas of relocation and rehabilitation. In that connection may I point out that this measure as presented to you requires that local relocation programs be formulated as early as possible; that relocation payments be made to displacees as promptly as possible and that the Small Business Administration facilities be made available to adequately assist displaced small businesses.

The measure also provides incentives to stimulate nondemolition renewal projects. A revolving fund of \$50 million would be authorized for low-interest loans to businesses and families to rehabilitate sound structures, and there are ample safeguards to assure that the loans are not misused for speculative or other purposes. The loans would reduce the need for demolition, would spur neighborhood rehabilitation and would facilitate housing code enforcement activities.

The measure under consideration broadens relocation features to give individuals as well as families protection when they are displaced by urban renewal, and the requirement that local agencies find decent, safe, and sanitary dwellings for displacees would be extended to individuals in projects hereafter. Personal knowledge of the inconveniences and hardships endured by many of my constituents in the past, makes me keenly aware of the necessity and importance of this provision.

I want also to call attention to the fact that this bill includes a provision which will mean a saving of approximately \$600,000 to the city of Providence, R.I. The Fox Point Hurricane Dam which is now under construction at a cost of approximately \$17 million, of which \$5.1 million is being supplied from local funds, is considered an eligible public facility by the Urban Renewal Administration. Therefore, under Urban Renewal Administration regulations, federally assisted urban renewal projects being served by this public facility, if they meet certain criteria, will receive noncash contributions from that agency.

Because of certain technicalities beyond the control of the city of Providence, the cutoff date for eligibility has already occurred. Therefore, the amendment will, in effect, reestablish the eligibility of the railroad relocation project for a noncash grant from the Urban Renewal Administration.

After 15 years, urban renewal has reached the stage where it is making an enormous impact on our communities and where it is being subjected to the most searching and critical examination.

Opponents have hurled many unfounded charges against the program. Our committee held hearings on the legislation now before you and opponents were afforded an excellent opportunity to air all criticisms. However, no charges of abuse of authority by the administering agencies were sustained. The programs were found to be singularly free of scandals or misuse of funds and it is a great tribute to the quality of government at every level in America that the purposes of these programs have been carried out with such ability and devotion. No one contends that the measures enacted in the past have been perfect, in either their conception or their execution. However, the main purpose of the Housing Act of 1964 is to improve the operations of these well-tested programs.

We are living in an urban society and this measure will prove a boon to the Nation's cities in their struggle to resist blight. The President's antipoverty program will be well reinforced by the passage of this measure, as it makes the urban renewal process easier and more economical for our cities and easier on the citizens of our cities affected by the process.

I enjoin my colleagues to vote for the passage of this legislation.

The Clerk read as follows:

TITLE III—URBAN RENEWAL
Capital grant authorization

SEC. 301. Section 103(b) of the Housing Act of 1949 is amended by striking out "not to exceed \$4,000,000,000" and inserting in lieu thereof "not to exceed \$4,600,000,000".

Mr. SCHENCK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do this in order to ask my esteemed friend and colleague, the gentleman from Alabama, some questions. Before I do that may I pay my sincere respects to him and express my thanks for his service here in Congress and my wishes for a long, successful, happy, and healthy life.

Mr. Chairman, it is my understanding, under the provisions of the current housing bill and that it is the intention of the Congress as applied to owners of property within an urban renewal development area, when an individual who owns property within an urban renewal area and who is ready, willing, and able to erect and finance a building which meets all requirements of the overall development plan, that it is the intention of the Congress that such an individual be permitted and encouraged to develop and build on his own land himself, so long as such building and land use meets the requirement of the overall plan?

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. SCHENCK. I yield to the gentleman from Alabama.

Mr. RAINS. In answer to the question posed by the gentleman from Ohio, there is nothing in the Federal urban renewal law prohibiting an owner of property in an urban renewal area from developing his land for the use or uses specified in the locally approved renewal plan where he is ready, willing, and able to do so.

If I may continue, whether the property owner may so develop his land is,

in the final analysis, a decision that must be made locally and in accord with the provisions of the local law by the agency carrying out the project.

Of course, where the property owner can and does redevelop his land in conformity with the plan requirements, there is no need for the local agency carrying out the project to acquire this property, either by purchase or condemnation.

That answers one question, but this is the one I want to get to.

Some States, as I am sure the gentleman knows, have a statutory requirement that property owners in an urban renewal area must be given a reasonable opportunity to redevelop their land in accordance with the plan provisions. Other States have no such requirement.

Finally, I may say to my good friend from Ohio that I think this is a matter for local determination, and that there is absolutely nothing in the Federal law which will prevent it.

Mr. SCHENCK. Then, I will say to my friend from Alabama that under the housing law we are now considering and other housing laws in existence, nothing therein would prevent an owner who was ready, willing, and able to develop his own land from doing so, so long as the development was in accordance with the overall plan.

Mr. RAINS. That is correct.

Mr. SCHENCK. Is it the intention of Congress that such an owner be exempted from condemnation proceedings by any local housing authority?

Mr. RAINS. It is the intention of the Congress that if he develops it according to the plan, of course there would be no need to condemn it. The only time the condemnation law will take effect will be when he cannot or does not want to develop it in accordance with the plan.

Mr. SCHENCK. Suppose the local housing authority desires to develop the entire area itself, either by a single contractor or a group of contractors, and then chooses not to exempt a given piece of land, under the present law is the owner then foreclosed from doing so himself?

Mr. RAINS. I cannot say as to that. In the present Federal law there is no prohibition against that, but we likewise cannot write into law any direction that it must be done by the local government. Therefore, part of the gentleman's question, from the Federal standpoint, I answer "Yes," the other part I answer the other way.

Mr. SCHENCK. My understanding is that the local housing authority developing an urban renewal program must obtain approval from the Urban Renewal Administration.

Mr. RAINS. The approval of their application; that is correct.

Mr. SCHENCK. Is there anything in the rules and regulations and laws which would prohibit the local authority from taking over the whole thing without full approval of the Urban Renewal Administration?

Mr. RAINS. There is nothing at all that would prevent the local authority from taking over under the Federal law. In other words, it is strictly up to the

local authority. I will repeat, there is nothing in this bill or in the Federal law that would prohibit a man from doing what you ask, but there is nothing in the law which directs that it must be done.

Mr. SCHENCK. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk will read.

The Clerk read as follows:

Code enforcement

SEC. 302. (a) The first sentence of section 110(c) of the Housing Act of 1949 is amended by inserting after "or rehabilitation or conservation in an urban renewal area," the following: "or a program of code enforcement in an urban renewal area."

(b) (1) Paragraph (5) of the second sentence of section 110(c) of such Act is amended (1) by striking out "a program of" and inserting in lieu thereof "programs of code enforcement or", and (2) by adding before the semicolon at the end of such paragraph the following: "Provided, That no program of code enforcement shall be included as part of an urban renewal project unless the locality shall agree to increase its total expenditures with respect to code enforcement, during the period such project is under contract for a loan or capital grant, by an amount equal to the required local grants-in-aid with respect to the code enforcement included as part of such project".

(2) Any contract for a capital grant under title I of the Housing Act of 1949 executed prior to the date of the enactment of this Act may be amended to incorporate the provisions of paragraph (1) for costs incurred on or after such date.

(c) Section 101(c) of such Act is amended by adding at the end thereof the following new sentence: "Commencing three years from the date of the enactment of the Housing Act of 1964, no workable program will be certified or recertified unless the locality has had in effect for at least six months prior to such certification or recertification a minimum standards housing code, related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate by the Administrator; and unless the Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with such housing code."

Relocation of displacees from urban renewal areas

SEC. 303. (a) (1) Section 105(c) of the Housing Act of 1949 is amended by striking out "families" wherever it appears and inserting in lieu thereof "individuals and families".

(2) The requirement imposed by the amendments made by paragraph (1) shall not be applicable to any project receiving Federal recognition prior to the date of the enactment of this Act.

(b) Section 105(c) of such Act is further amended by inserting before the period at the end thereof the following: "Provided, That the Administrator shall issue rules and regulations to aid in implementing the requirements of this subsection and in otherwise achieving the objectives of this title which shall require that there be established, at the earliest practicable time, for each urban renewal project involving the displacement of families, individuals, or business concerns occupying property in an urban renewal area, a relocation assistance program which shall include such measures, facilities, and services as may be necessary or appropriate in order (1) to determine the needs of such families, individuals, and business concerns for relocation assistance, (2) to provide information and assistance to aid in relocation and otherwise minimize the

hardships of displacement, and (3) to assure the necessary coordination of relocation activities with other project activities and other planned or proposed governmental actions in the community which may affect the carrying out of the relocation program".

(c) Section 114(e) of such Act (as added by section 306 of this Act and redesignated by section 317 of this Act) is amended by adding at the end thereof the following new sentence: "Such regulations shall include provisions to assure that relocation payments, as authorized by this section, shall be made as promptly as possible to all families, individuals, business concerns, and non-profit organizations found to be eligible for such payments by reason of their having been displaced from property in the urban renewal area, without regard to any subsequent proceedings, determinations, or events relating to such property which do not bear upon whether such displacement in fact occurred."

(d) Section 8(b) of the Small Business Act is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (13) the following new paragraph:

"(14) to provide at the earliest practicable time such information and assistance as may be appropriate, including information concerning eligibility for loans under section 7(b)(3), to local public agencies (as defined in section 110(h) of the Housing Act of 1949) and to small-business concerns to be displaced by federally aided urban renewal projects in order to assist such small-business concerns in reestablishing their operations."

Disposal of land for low- and moderate-income housing

SEC. 304. Subsections (a) and (b) of section 107 of the Housing Act of 1949 are amended to read as follows:

"(a) Upon approval of the Administrator and subject to such conditions as he may determine to be in the public interest, any real property held as part of an urban renewal project may be made available to (1) a limited dividend corporation, nonprofit corporation or association, cooperative, or public body or agency, or (2) a purchaser who would be eligible for a mortgage insured under section 221(d)(4) of the National Housing Act, for purchase at fair value for use by such purchaser in the provision of new or rehabilitated rental or cooperative housing for occupancy by families or individuals of moderate income.

"(b) When it appears in the public interest that real property acquired as part of an urban renewal project should be used in whole or in part for a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act, the property shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to its fair value, as determined in accordance with subsection (a), and such amount shall be included as part of the development cost of such low-rent housing project: *Provided*, That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act, or by analogous provisions in legislation authorizing such State or local program, with respect to the low-rent housing project into which such property was incorporated on or after September 23, 1959, shall (if covered by a contract which, in the determination of the Public Housing Commissioner, will assure that such local contribution will be made during the entire

period that the project is used as low-rent housing within the meaning of such Act, or by provisions found by the Administrator to give equivalent assurance in the case of State or local programs) be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such property (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act."

Rehabilitation of property in urban renewal areas

SEC. 305. Section 110(c) of the Housing Act of 1949 is amended by adding immediately after and below paragraph (7) the following new paragraph:

"Notwithstanding any other provision of this title, no contract shall be entered into for any loan or capital grant under this title for any project which provides for demolition and removal of buildings and improvements unless the Administrator determines that the objectives of the urban renewal plan could not be achieved through rehabilitation of the project area."

Relocation payments to displaced persons and businesses

SEC. 306. (a) Title I of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"Relocation"

"Sec. 114. (a) Notwithstanding any other provision of this title, an urban renewal project may include the making of payments as prescribed in this section to displaced individuals, families, business concerns, and non-profit organizations; and any contract for financial assistance under this title shall provide that the capital grant otherwise payable for the project shall be increased by an amount equal to such payments and that no part of the amount of such payments shall be required to be contributed as part of the local grant-in-aid. As used in this section, 'displaced' refers to displacement from an urban renewal area made necessary by (1) the acquisition of real property by a local public agency or by any other public body, (2) code enforcement activities undertaken in connection with an urban renewal project, or (3) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan.

"(b) A local public agency may pay to any displaced business concern or nonprofit organization—

"(1) its reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): *Provided*, That such payment shall not exceed \$3,000 (or, if greater, the total certified actual moving expenses); and

"(2) an additional \$1,000 in the case of a private business concern with average annual net earnings of less than \$10,000 per year which (A) was doing business in a location in the urban renewal area on the date of local approval of the urban renewal plan (or of acquisition of the real property under the third sentence of section 102(a)), (B) is displaced on or after January 27, 1964, and (C) is not part of an enterprise having establishments outside the urban renewal area.

"(c) (1) A local public agency may pay to any displaced individual or family his or its reasonable and necessary moving expenses and any actual direct losses of property (which are incurred on and after August 7,

1956, and for which reimbursement or compensation is not otherwise made): *Provided*, That such payment shall not exceed \$200: *And provided further*, That the Administrator may authorize payment to individuals and families of fixed amounts (not to exceed \$200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

"(2) A local public agency may pay (in addition to any amount under paragraph (1)), to or on behalf of any displaced individual or family, the monthly rental (or mortgage payment) required for the dwelling accommodations in which such individual or family is relocated during the first three months (after displacement) for which such rental (or payment) is due; except that no amount in excess of \$200 shall be paid under this paragraph to or on behalf of any displaced individual or family, and payments under this paragraph shall be available only in the case of individuals and families displaced on or after January 27, 1964.

"(d) The Administrator is authorized to establish such rules and regulations as he may deem appropriate in carrying out the provisions of this section."

(b) Any contract with a local public agency which was executed under title I of the Housing Act of 1949 before the date of the enactment of this Act may be amended to provide for payments authorized by section 114 of the Housing Act of 1949.

(c) Section 106 of the Housing Act of 1949 is amended by striking out subsection (f).

Incentives for local realty tax abatement for section 221(d) (3) projects

SEC. 307. Section 110(d) of the Housing Act of 1949 is amended by striking out "and (3)" and inserting in lieu thereof the following: "(3) the amount of any abatement of realty taxes granted by appropriate authority in reduction of realty taxes which would, except for such abatement, be payable by a project the mortgage on which is insured under section 221 of the National Housing Act and bears an interest rate fixed pursuant to the proviso in section 221(d) (5) of such Act; and (4) "

Rehabilitation loans

SEC. 308. (a) To assist rehabilitation in an urban renewal area and thereby reduce the need for demolition and removal of structures, the Housing and Home Finance Administrator is hereby authorized, through the utilization of local public and private agencies where feasible, to make loans as herein provided to the owners or tenants of property in such area to finance rehabilitation required to make the property conform to applicable code requirements or to carry out the objectives of the urban renewal plan for the area. No loan shall be made under this section unless the Administrator finds (1) that the applicant is unable to secure the necessary funds from other sources upon reasonable terms and conditions, and (2) the loan is an acceptable risk taking into consideration the need for the rehabilitation, the security available for the loan, and the ability of the applicant to repay the loan.

(b) For the purposes of this section—

(1) the term "rehabilitation" means the improvement or repair of a structure or facilities in connection with a structure, and may include the provision of such sanitary or other facilities as are required by applicable codes or the urban renewal plan to be provided by the owner or tenant of the property;

(2) the term "urban renewal area" means a slum area or a blighted, deteriorated, or deteriorating area as defined in section 110(a) of the Housing Act of 1949;

(3) the term "tenant" means a person or organization who is occupying a structure under a lease having a period to run at the

time a rehabilitation loan is made under this section of not less than the term of the loan; and

(4) the term "Administrator" means the Housing and Home Finance Administrator.

(c) A rehabilitation loan made under this section shall be subject to the following limitations:

(1) The loan shall be subject to such terms and conditions as may be prescribed by the Administrator.

(2) The term of the loan may not exceed fifteen years or three-fourths of the remaining economic life of the structure after rehabilitation, whichever is less.

(3) The loan shall bear interest at such rate as the Administrator determines to be appropriate but not to exceed 3 per centum per annum of the amount of the principal outstanding at any time, and the Administrator may prescribe such other charges as he finds necessary, including service charges and appraisal, inspection, and other fees.

(4) The amount of the loan may not exceed—

(A) in the case of residential property, the amount of a loan which could be insured by the Federal Housing Commissioner under section 220(h) of the National Housing Act; and

(B) in the case of nonresidential property, \$50,000, or the cost of rehabilitation, or an amount which when added to any outstanding indebtedness related to the property securing the loan creates a total outstanding indebtedness that exceeds the amount of a loan which the Administrator determines could be reasonably secured by a first mortgage on the property.

(5) A loan shall be secured as determined by the Administrator.

(d) There is authorized to be appropriated not to exceed \$50,000,000 which shall constitute a revolving fund to be used by the Administrator in carrying out this section.

(e) In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Administrator shall have (in addition to any authority otherwise vested in him) the functions, powers, and duties set forth in section 402 of the Housing Act of 1950 (except subsection (c) (2)).

(f) The Administrator is authorized to delegate to or use as his agent any local public or private agency or organization to the extent he determines appropriate and desirable to carry out the objectives of this section in the area involved.

(g) The Administrator is authorized to issue such rules and regulations and impose such requirements and conditions (in addition to those specified in this section) as he determines to be desirable to carry out the objectives of this section, including limitations on the amount of a loan and restrictions on the use of the property involved.

Self-help programs for community improvement

SEC. 309. Section 101(d) of the Housing Act of 1949 is amended by inserting immediately after "local urban renewal programs" the following: "(including rehabilitation projects requiring no additional assistance under this title or self-liquidating redevelopment projects)".

Urban renewal demonstration program

SEC. 310. Section 314 of the Housing Act of 1954 is amended—

(1) by inserting "(a)" after "314." at the beginning of the section;

(2) by inserting before the period at the end of the second sentence the following: "but such a grant may in addition cover the full cost of writing and publishing the reports on such activities and undertakings";

(3) by inserting "activities and" before "undertakings" in the third sentence;

(4) by striking out the fourth and fifth sentences; and

(5) by adding at the end thereof the following subsections:

"(b) The Administrator is further authorized to pay for the cost of (1) writing and publishing reports on activities and undertakings financed by grants made under this section, as well as reports on similar activities and undertakings, not so financed, which are of significant value in furthering the purposes of this section, and (2) writing and publishing summaries and other informational material on such reports.

"(c) The aggregate amount of grants made under subsection (a), and other costs incurred pursuant to subsection (b), shall not exceed \$10,000,000 and shall be payable from the grant funds provided under and authorized by section 103(b) of the Housing Act of 1949. The Administrator may make advance or progress payments on account of any contract entered into pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended."

Urban and regional planning grants

SEC. 311. (a) Section 701(a) of the Housing Act of 1954 is amended by striking out "resulting from rapid urbanization" in clause (B) of paragraph (1).

(b) Section 701(a) of such Act is amended—

(1) by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and

(2) by adding after paragraph (5) the following new paragraph:

"(6) metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1); and".

Planning grant authorization

SEC. 312. Section 701(b) of the Housing Act of 1954 is amended by striking out "\$75,000,000" in the last sentence and inserting in lieu thereof "\$105,000,000".

Planning grants for Indian reservations

SEC. 313. (a) Section 701(a) of the Housing Act of 1954 is amended—

(1) by striking out "and" at the end of clause (B) of paragraph (1);

(2) by inserting ", and (D) Indian reservations" before the semicolon at the end of paragraph (1); and

(3) by adding after paragraph (6) (as added by section 311(b) of this Act) the following new paragraph:

"(7) tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning for an Indian reservation to which no State planning agency or other agency or instrumentality is empowered to provide planning assistance under clause (D) of paragraph (1)."

(b) Section 701(d) of such Act is amended—

(1) by striking out "and urban regions" in the first sentence and inserting in lieu thereof "urban regions, and Indian reservations"; and

(2) by inserting the following after "instrumentalities" in the second sentence: ", and Indian tribal bodies".

Eligibility of counties for planning assistance

SEC. 314. Section 701(a) of the Housing Act of 1954 is amended by striking out clause (A) of paragraph (1) and inserting in lieu thereof the following: "(A) cities and other municipalities having a population of less than 50,000 according to the latest decennial census, and counties without regard to population: *Provided*, That grants shall be made under this paragraph for planning assistance to counties having a population of 50,000 or more, according to the latest decennial cen-

sus, which are within metropolitan areas, only if (i) the Administrator finds that planning and plans for such county will be coordinated with the program of comprehensive planning, if any, which is being carried out for the metropolitan area of which the county is a part, and (ii) the aggregate amount of the grants made subject to this proviso does not exceed 15 per centum of the aggregate amount appropriated, after the date of enactment of the Housing Act of 1964, for the purposes of this section."

Planning problems resulting from treaties or other international agreements

SEC. 315. Section 701(a) (4) of the Housing Act of 1954 is amended to read as follows:

"(4) official governmental planning agencies for areas where (A) urban planning problems have resulted or are expected to result from the implementation of a Federal treaty or other international agreement or understanding, or (B) rapid urbanization has resulted or is expected to result from the establishment or rapid and substantial expansion of a Federal installation;"

Small business administration loans

SEC. 316. Section 7(b)(3) of the Small Business Act is amended by inserting before the period at the end thereof the following: "; and the purposes of a loan made pursuant to this paragraph may, in the discretion of the Administration, include the purchase or construction of other premises whether or not the borrower owned the premises from which it was displaced".

Relocation payments in cases of property affected by coal mine subsidence or underground mine fires

SEC. 317. (a) Section 114 of the Housing Act of 1949 (as added by section 306 of this Act) is amended by redesignating subsection (d) as subsection (e), and by inserting after subsection (c) the following new subsection:

"(d) In any case in which property owned by an individual, family, business concern, or nonprofit organization has been rendered partially or wholly unusable on account of the subsidence or collapse of underlying coal mines, or because of an underground mine fire or fires, relocation payments under this section may include (in addition to any amounts payable under subsection (b) or (c)) an amount equal to the difference between (1) the actual market value which such property would have if the diminution in its value occasioned by such subsidence or collapse or fire were ignored, and (2) the price paid for the acquisition of such property by the local public agency."

(b) The first sentence of section 114(a) of such Act (as so added) is amended by striking out "organizations" and all that follows and inserting in lieu thereof the following: "organizations. Any contract for financial assistance under this title shall provide that no part of the amount of such payments (except such payments made pursuant to subsection (d)) shall be required to be contributed as a local grant-in-aid, and that the capital grant otherwise payable for the project shall be increased by an amount equal to (1) any of such payments made pursuant to subsection (b) or (c), plus (2) any of such payments made pursuant to subsection (d), reduced by the amount of the local grants-in-aid applicable to such payments."

(c) Any contract with a local public agency which was executed under title I of the Housing Act of 1949 before the date of the enactment of this Act may be amended to provide for payments authorized by the amendments made by this section so long as the project involved has not yet been completed on such date.

(d) Section 15(8) of the United States Housing Act of 1937 (as added by section 406 of this Act) is amended by striking out "sec-

tion 114 (b) or (c)" and inserting in lieu thereof "section 114 (b), (c), or (d)".

AMENDMENT OFFERED BY MR. FARBSTEIN

Mr. FARBSTEIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FARBSTEIN: On page 55, after line 17, insert the following new section:

"USE OF REDEVELOPMENT HOUSING FOR LOW- AND MIDDLE-CLASS INCOME GROUPS"

"SEC. 318. (a) Section 105(b) of the Housing Act of 1949 is amended by striking out 'and (iii)' and inserting in lieu thereof the following: '(iii) to give satisfactory assurances that any rental housing or cooperative housing which may be constructed on such property in the redevelopment of the area will be designed primarily for occupancy by persons from the low- and middle-income segments of the population (as determined by the local public agency).'

"(b) Paragraph (4) of section 110(c) of such Act is amended by striking out 'for uses in accordance with the urban renewal plan' and inserting in lieu thereof 'for uses in accordance with (A) the urban renewal plan, and (B) the applicable contract made with the local public agency as provided in section 105.'"

(Mr. FARBSTEIN asked and was given permission to revise and extend his remarks.)

Mr. FARBSTEIN. Mr. Chairman, under this section which is the urban renewal section, as it presently exists, in certain instances the Federal Government pays two-thirds of the cost of clearing an area and the municipality pays one-third of the cost.

That cleared area is then sold to a builder or developer who may then build luxury housing on this cleared area. I do not think this is the intention and purpose of this legislation or at least that it is not the intention of the Congress.

Therefore, Mr. Chairman, I am offering this amendment which declares that any rental or cooperative housing which may be built on such property in the redevelopment of the area will be designed primarily for occupancy by persons from the low- and middle-income segments of the population. In other words, no luxury housing will be permitted to be built in this area which has been cleared as a result of payment by the Federal Government as well as payment by the local municipality.

Mr. TAFT. Mr. Chairman, will the gentleman yield?

Mr. FARBSTEIN. I yield to the gentleman from Ohio.

Mr. TAFT. I wonder if the gentleman would comment as to the effect of his amendment on plans already pending for various projects. Is it not true that his amendment might call for radical changes in some plans already underway for urban renewal?

Mr. FARBSTEIN. That is a situation I believe we can meet when the occasion arises, especially in view of the fact that this is a policy amendment. The local authority would not be circumscribed in its determination insofar as the gentleman's situation is concerned.

Mr. RAINS. Mr. Chairman, I rise in opposition to the amendment.

I point out that the gentleman from Ohio has put his finger on the problem.

This would be a completely devastating amendment to programs as they now exist. It would require that the highest priced land in the United States, at these places where it has been cleared, be used to build public housing or some kind of low-income housing. It is totally incompatible to build extremely low-cost housing on extremely high-cost land.

Not only that, but also this amendment, with respect to housing, would take away from the local government—to which we say we want to give control of this business—the local control, completely.

I ask for a vote on the amendment, and I hope the amendment will be defeated.

Mr. RYAN of New York. Mr. Chairman, I move to strike the last word.

(Mr. RYAN of New York asked and was given permission to revise and extend his remarks.)

Mr. RYAN of New York. Mr. Chairman, the use of title I funds to subsidize luxury housing is one of the really serious questions confronting us as we analyze the urban renewal program.

I have been greatly concerned for a number of years about the fact that the Federal Government has been subsidizing luxury housing through the urban renewal program. Time and again high-cost housing has been constructed, displacing site tenants who can not afford the rents in the new apartments.

In New York City, for instance, in the Washington Square Village development apartments rent as high as \$246 a room.

It is ridiculous to be subsidizing luxury housing, when there are millions of people who need low-income housing and middle-income housing.

One of the real disappointments with respect to the bill before us today, to my mind, is the fact that it provides for only 35,000 units of public housing.

Let us concentrate our attention, let us concentrate our energies, let us concentrate our resources on the great need which faces us in this country—that is, to build housing for middle-income people and low-income people.

There is no necessity for the Federal Government's subsidizing high-cost luxury housing.

When the Housing Act of 1961 was considered on the floor I offered an amendment to prohibit the construction of luxury housing with urban renewal funds. I have appeared before the committee. I have discussed this subject with the distinguished chairman of the subcommittee over a long period of time. I have introduced H.R. 4577 to prohibit the construction of luxury housing under urban renewal. I feel strongly that Congress should at least write into the law the sense of the Congress that urban renewal funds are to be used for the construction of moderate-cost housing, of housing for middle-income families, and for low-income families.

I believe the amendment before the House has merit. As I understand, it would leave the determination of a ceiling and the definition of low- and middle-income housing to the local authorities. Section 304 of the bill does not

deal with this problem at all. That merely brings housing for moderate-income individuals as well as families under the existing program under section 107. It also makes the "fair value" land purchase formula applicable to public housing as well as to moderate-income housing.

Mr. Chairman, we have a housing crisis in this country. The urban renewal program should benefit people who desperately need housing.

[Mr. MULTER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. GROSS. Mr. Chairman, I move to strike out the necessary number of words.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. I note that the gentleman from Texas [Mr. DOWDY], is on the floor. He has provided the House with some startling information concerning the Southwest development in the District of Columbia, and perhaps he can help me to understand the meaning of this amendment.

Does it mean, if this amendment is adopted, that there can be no further building of semidetached houses in the Southwest area such as the \$30,000 Bobby Baker shack for his girl Friday, Carole Tyler? This was once a slum area. Can developers repeat this performance in Washington or somewhere else if this amendment is adopted?

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes. I yield to the gentleman.

Mr. DOWDY. I might say to the gentleman I am not quite sure I understood the amendment, as read, but I do not believe it would have the beneficial effect that you would hope for. I think it probably only applies to cooperative housing or something of that sort. Am I correct?

Mr. MULTER. Will the gentleman yield to me?

Mr. GROSS. Yes. I yield to the gentleman.

Mr. MULTER. The amendment covers low-income and middle-income housing as well as cooperative housing, but there is nothing in this that applies to the District of Columbia.

Mr. DOWDY. That would be right.

Mr. GROSS. If the amendment is adopted, would Bobby Baker be able to get one of those lavender carpeted houses such as they have in the Southwest area as housing for his secretary?

Mr. MULTER. The answer to the last question is that neither the gentleman from Iowa, nor Bobby Baker, nor anyone else can get it unless he qualifies.

Mr. GROSS. What do you have to do to qualify? Have a girl Friday or what?

Mr. MULTER. I am not familiar with these girls Friday, so I could not answer that question.

Mr. GROSS. Or does it take \$30,000 or \$35,000 to erect one of these houses?

Mr. MULTER. I think if a person is of good character and passes a credit examination and has the down payment, he could qualify and get a house.

Mr. GROSS. Does the gentleman think Bobby Baker is of good character?

Mr. MULTER. What has Bobby Baker got to do with this bill?

Mr. GROSS. I was merely using this situation down in Southwest Washington where they cleared out a slum and then put up luxury apartments and houses. I was wondering if this is what the gentleman from New York [Mr. FARBERSTEIN] is trying to head off with his amendment.

Mr. MULTER. If it is sumptuous and luxurious, as the gentleman seems to indicate, it would not come within the meaning or the words of this amendment that the gentleman from New York [Mr. FARBERSTEIN] has offered, because he is talking here about low- and middle-income housing and trying to stop luxury and sumptuous housing that the gentleman referred to.

Mr. GROSS. I do not know whether Bobby Baker is supposed to be a man of low or middle income.

Mr. MULTER. I cannot answer that question. Again I would like to say to the gentleman I do not see that it has any bearing either on the bill or the pending amendment.

Mr. DOWDY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes. I yield to the gentleman.

Mr. DOWDY. I believe Bobby Baker's house to which the gentleman has reference is not in an urban redevelopment area, however, I am not positive about that. The gentleman asked how he might take advantage of this. You would have to be in good with a man by the name of Doyle and a man by the name of Slayton and get them to give you a contract. They give them to their favorites and nobody but a favorite has a chance. I am now talking about the District of Columbia, which is what I understand the gentleman was talking about. Nobody else has a chance, because they negotiate their sales, and refuse to use competitive bidding in dispositions. The urban renewal part of this bill tightens the noose around the neck of private homeowner, and the proposed amendment does not alter that unfortunate fact.

Mr. GROSS. If this amendment does not apply to Southwest Washington would it apply to Foggy Bottom and the State Department clientele?

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman.

Mr. RAINS. I would like to assure the gentleman that we are not legislating for the District of Columbia. This is not the District of Columbia Committee.

Mr. GROSS. It would not apply, then, to the District of Columbia?

Mr. RAINS. No more so than to every other place in the country.

Mr. GROSS. I am glad to have the gentleman make this clear.

Mr. MOORHEAD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise first to say to the proponents of this amendment that section 304, referred to by the gentleman

from New York [Mr. MULTER], not only permits but encourages the things that are sought in the amendment.

Mr. FARBSTAIN. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman.

Mr. FARBSTAIN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would like again to reply to the question raised by the gentleman from Ohio [Mr. TAFT]. I think he knows the answer pretty well without even asking the question, because we cannot pass a law that would be ex post facto; in other words, overcome any previous contracts made.

Basically, the amendment is merely a statement of policy. It talks about redevelopment of the area and designed primarily for occupancy of low- and middle-income housing and so forth. That makes legislative history. It says that it is designed primarily for low- and middle-income housing and it is up to the local authority whether under the circumstances there should be this restriction or not.

Mr. TAFT. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, with reference to the answer given by the gentleman to my previous question, my question referred to plans already in existence and to land which has already been purchased but for which no contracts for construction have as yet been let. So we are not talking about existing contracts that would not be affected. We are talking here about land which may have already been purchased and, as the chairman of the subcommittee has pointed out, land which may be very high cost land indeed. The amendment would change the nature of the construction that it is sought to put on such land, which may have the effect of making a proposed and existing project entirely unfeasible.

Mr. FARBSTAIN. Mr. Chairman, will the gentleman yield?

Mr. TAFT. I yield.

Mr. FARBSTAIN. In the instance to which the gentleman referred where there has been no contract made again I suggest that this is a policy statement. It says—designed primarily for persons from the low- and middle-income segments of the population. And it is within the discretion of the local authority to determine whether or not they want to continue with this. This is only a policy statement and I think we should not bar the local authority from this right.

Mr. TAFT. Mr. Chairman, I would suggest that if it is only a policy statement, then the amendment should be defeated. A statement of policy could be included elsewhere. I am sure to the maximum extent we would all like to see possible the purposes of the gentlemen's amendment applied. However, because of the nature of the projects, it is not practical in many, many urban renewal projects to do that.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. TAFT. I would be glad to yield to the chairman of the subcommittee, the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. I appreciate the gentleman's offer to yield. I am trying to see if we can get a vote on the amendment in order that we may move along.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

The question is on the amendment offered by the gentleman from New York [Mr. FARBSTAIN].

The amendment was rejected.

AMENDMENT OFFERED BY MR. WYDLER

Mr. WYDLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYDLER: On page 53, after line 17, insert the following new section:

"PLANNING ASSISTANCE FOR AREAS ADVERSELY AFFECTED BY CURTAILMENT OF GOVERNMENT ACTIVITIES

"Sec. 316. (a) Section 701(a) of the Housing Act of 1954 is amended—

"(1) by striking out 'and' at the end of paragraph (6) (as added by section 311(b) of this Act);

"(2) by striking out the period at the end of paragraph (7) (as added by section 313(a) of this Act) and inserting in lieu thereof '; and'; and

"(3) by adding after paragraph (7) (as so added) the following new paragraph:

"(8) to official governmental planning agencies for any area where there has occurred a substantial reduction in employment opportunities as the result of (A) the closing (in whole or in part) of a Federal installation, or (B) a decline in the volume of Government orders for the procurement of articles or materials produced or manufactured in such area."

"(b) Section 701(b) of such Act is amended by inserting after 'subsection (a) (3),' the following: 'to an official governmental planning agency for an area described in subsection (a) (8).'"

And redesignate the succeeding sections accordingly.

(Mr. WYDLER asked and was given permission to revise and extend his remarks.)

Mr. WYDLER. Mr. Chairman, this is a very simple amendment. This amendment if adopted would authorize urban planning grants under section 701 to official Government planning agencies for any area where there had occurred a substantial reduction in employment opportunities as a result of the closing, in whole or in part, of a Federal installation, or a decline in the volume of Government orders for the procurement of articles or materials produced or manufactured in such area.

Mr. Chairman, this amendment calls for an additional expenditures.

In my opinion it is a sensible and sound amendment.

Mr. Chairman, the Housing Act of 1954 already provides assistance to communities where new Federal facilities are moved in. Yet often the withdrawal of these facilities creates just as many problems which require the use of Federal assistance. I know the Long Island area has been particularly hard hit by defense layoffs and could use such assistance.

Mr. RAINS. Mr. Chairman, will the gentleman yield to me?

Mr. WYDLER. Yes, I yield to the gentleman from Alabama, the honorable chairman of the committee.

Mr. RAINS. I am in sympathy, as I am sure the gentleman from New York is, with the intent of this amendment.

However, Mr. Chairman, I would like to point out two things. First of all we have already liberalized this section considerably in the pending bill. This, as the gentleman knows, is in the Senate bill. Since we have no opportunity to study it or to know anything at all about it, no facts, no figures, no anything, would not the gentleman be content if I assured him that I have a wide open mind and that we shall do everything we can with regard to the matter when we get to conference, may I suggest that the gentleman withhold the amendment, and let it go to conference where we will give careful and adequate consideration to it.

If we adopt the amendment it locks us in, as the gentleman knows, as well as prevents us the opportunity to give consideration to it.

I believe my distinguished friend, the gentleman from New York [Mr. WYDLER] would agree with me that we would like to have more information than we can obtain, even though the gentleman makes a good 5-minute speech.

I would like to assure the gentleman of my most careful consideration when we go to conference.

Mr. WYDLER. Mr. Chairman, I am glad to accept the chairman of the subcommittee's kind words and assurances. Therefore, Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from New York [Mr. WYDLER] will be withdrawn.

There was no objection.

Mr. ROGERS of Colorado. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have not offered an amendment as yet, but I thought I should discuss the question of refinancing in the various sections of this bill, particularly in connection with the multiple units that are rented which are FHA insured, and where conditions beyond the control of the individual who secured the loan has made it impossible for him to carry out his obligation.

The objective of my amendment would be that the FHA is permitted to refinance even in the urban renewal area or outside the urban renewal area, so as to prevent a foreclosure under that process.

The matter was discussed in the Senate. The matter has been discussed with the administration. They have some authority to bring about refinancing in certain areas.

What I would like to know is if such a matter is possible to be placed in conference the committee would consider it with the objective of prohibiting a foreclosure and still at the same time permit the financing of FHA loans to continue?

Mr. RAINS. Mr. Chairman, I will say to the gentleman as he well knows the gentleman from New Jersey and I have done our level best to understand the rather complicated amendment which the gentleman has. I have come to the conclusion that about three-fourths of what the gentleman has done is a brand-new section in the bill which would pre-

vent the foreclosure of the units the gentleman is talking about in the first instance.

Mr. ROGERS of Colorado. No.

Mr. RAINS. The FHA is not in favor of what we are talking about, because in their words it would become a complete bailout. They are fearful that 221(d)(3) funds would be dissipated in refinancing existing mortgages.

Mr. ROGERS of Colorado. They already have bad loans. The question is trying to refinance them in another section of the FHA. That is all I am asking in this particular amendment that I would offer.

As I indicated, if the loan has gone sour they will no doubt have to proceed with a foreclosure, but if my amendment were accepted they would then be permitted to enter into an area of refinancing, and not have a complete default. That is what I had in mind.

Mr. RAINS. Is the matter in the Senate bill?

Mr. ROGERS of Colorado. It was discussed, and there is the possibility that under this section there could be some amendment offered or attached to section 207 that would authorize them to do that.

Mr. RAINS. Will the gentleman give us a memorandum of what he has in mind, and if he thinks there is a chance for it to be discussed in conference I assure the gentleman it will be discussed. But we cannot of course be sure of the outcome.

Mr. ROGERS of Colorado. To be frank, the matter was discussed on the floor of the Senate and, due to the fact that not enough information was given as to how much of the area would be covered, no amendment was accepted. However, I am informed by some who know that you could in conference rectify and make it possible for the FHA to bring about a refinancing. Of course, if my amendment were accepted there would be no question about that. I am also informed that there would not be a complete bailout of all the loans under 207, and that the bailout would be very small.

Mr. RAINS. I assure the gentleman we will discuss it in conference if it is in conference, and if we can work that out without endangering anything we will do the best we can.

Mr. ROGERS of Colorado. I thank the gentleman.

Mr. SCHENCK. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. SCHENCK asked and was given permission to revise and extend his remarks, also remarks he previously made.)

Mr. SCHENCK. Mr. Chairman, I should like to ask the chairman of the subcommittee just one question: As I understand the gentleman, it is the intention of the Congress to grant in the greatest degree of freedom possible to a private individual who is ready, willing, and able to develop his own land, which is in an urban renewal area, as long as the owner's plans meet all requirements of the overall plan?

Mr. RAINS. I should like to phrase it a little differently. There is no prohibition in this bill or in the existing Federal law which would prohibit him from doing so.

Mr. SCHENCK. I thank the gentleman.

Mr. BALDWIN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to address one question to the gentleman from Alabama, if I may.

In the Senate bill there is section 202, which is entitled "Loan Contract for Two or More Projects." As I understand it, that makes it possible for a redevelopment agency to consolidate their loans and not take it project by project.

I should like to read a part of a letter from the redevelopment agency of the city of Richmond, Calif., which the gentleman from Alabama has been kind enough to visit in past years.

The bill passed by the Senate on July 31 includes one particular section that would be highly beneficial to our program, which is not included in the House bill. This is section 202 of the Senate bill, which would permit agencies such as ours to consolidate our annual temporary private financing to cover all projects at one time. Instead of borrowing separately each year for each project with duplicate advertising, legal and administrative costs, we could borrow on an annual basis for all operations. This probably would also produce a lower interest rate because of the larger amount of the combined loan. Any help you could give to urging the incorporation of this proposal in whatever bill is finally adopted would be greatly appreciated.

I should like to ask the chairman, it seems to me the intent of section 202 of the Senate bill is desirable. I cannot see any unfavorable aspects to it. I hope very much the conferees on the House side will give favorable consideration to this when you go to conference.

Mr. RAINS. The fact that it is not included in the House bill does not mean that it will be opposed in conference. The gentleman can be assured it will be given consideration in conference.

Mr. SECREST. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I ask the chairman this question: Can any urban redevelopment project or any project in an urban renewal area be undertaken without the consent of the local authority?

Mr. RAINS. No.

Mr. SECREST. The final authority rests with the local authority and not with the Federal Government?

Mr. RAINS. The final say-so is in the local government.

Mr. SECREST. The final say-so is there, and so must be the origination?

Mr. RAINS. The origination must be in the local government.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE IV—HOUSING FOR LOW-INCOME FAMILIES
Eligibility of displaced individuals for low-rent public housing

SEC. 401. (a) Section 2(2) of the United States Housing Act of 1937 is amended to read as follows:

"(2) The term 'families of low income' means families (including elderly and displaced families) who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term 'families' includes families consisting of a single person in the case of elderly families and displaced families, and includes the remaining member of a tenant family. The term 'elderly families' means families whose heads (or their spouses), or whose sole members, have attained the age at which an individual may elect to receive an old-age insurance benefit under title II of the Social Security Act or are under a disability as defined in section 223 of that Act. The term 'displaced families' means families displaced by urban renewal or other governmental action."

(b) Section 10(g)(2) of such Act is amended by striking out "those displaced by urban renewal or other governmental action" and inserting in lieu thereof "displaced families".

(c) Section 15(7)(b) of such Act is amended by striking out "family displaced by urban renewal or other governmental action" in clause (ii) and inserting in lieu thereof "displaced family".

Additional subsidy for urban renewal and low-rent housing displacees

SEC. 402. Section 10(a) of the United States Housing Act of 1937 is amended by inserting before the period at the end of the third sentence the following: "Provided further, That such an additional payment may also be made, on the same terms and conditions and subject to the same limitations, with respect to a unit occupied on the last day of the project fiscal year by a displaced family if such family was displaced by an urban renewal or low-rent housing project on or after January 27, 1964, and if and to the extent that the rental of such unit was less than the rental which, in the determination of the Authority based on average or estimated average project rentals, would have been established in leasing the unit to another family which was neither an elderly family nor similarly displaced".

Increase in authorization for annual contributions

SEC. 403. Section 10(e) of the United States Housing Act of 1937 is amended by inserting immediately after "per annum," the following: "which limit shall be increased by \$27,000,000 on the date of the enactment of the Housing Act of 1964."

Payments in lieu of taxes by local housing authorities; local contributions

SEC. 404. Section 10(h) of the United States Housing Act of 1937 is amended by striking out all that follows the first colon and inserting in lieu thereof the following: "Provided, That, with respect to any such project which is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, such contract shall provide, in lieu of the requirement for tax exemption and payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivisions in which such project is situated shall contribute, in the form of cash or tax remission, the amount by which the taxes paid with respect to the project exceed 10 per centum of the annual shelter rents charged in such project: *Provided further*, That, prior to execution of the contract for annual contributions the public housing agency shall, in the case of a tax-exempt project, notify the governing body of the locality of its estimate of the annual amount of such payments in lieu of taxes and of the amount of taxes which would be levied if the

property were privately owned, or, in the case where the project is taxed, its estimate of the annual amount of the local cash contribution, and shall there after include the actual amounts of such payments or contributions in its annual report. Contracts for annual contributions entered into prior to the effective date of the Housing Act of 1964 may be amended in accordance with the first sentence of this subsection."

Relocation of families and individuals displaced from project sites

SEC. 405. (a) Section 15(7)(b) of the United States Housing Act of 1937 is amended by striking out "and" before "(ii)", and by inserting before the period at the end thereof the following: "; and (iii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a feasible method for the temporary relocation of the displaced families from the project site, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of such displaced families, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment".

(b) The amendments made by subsection (a) shall not be applicable to any project for which an application for preliminary loan has been approved by the local governing body prior to the date of the enactment of this Act.

Relocation payments

SEC. 406. Section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(8) The Authority may authorize the cost of relocation payments made by public housing agencies to be included with the development or acquisition cost of any project for purposes of determining the amount of loans and annual contributions authorized to be made with respect to such project under sections 9 and 10, but such costs shall be separately stated as relocation costs and shall be excluded from any amounts on which the computation of annual contributions is based for purposes of determining the amount of local contributions required with respect to such project under section 10(h). For purposes of this paragraph, a 'relocation payment' is a payment (i) which is made to an individual, family, business concern, or nonprofit organization displaced on or after January 27, 1964, from a low-rent housing project site as a result of the acquisition of real property by a public housing agency, (ii) which is not otherwise authorized under any Federal law, and (iii) which is made only on such terms and conditions, and subject to such limitations, as are authorized (as of the time such payment is approved) under section 114 (b) or (c) of the Housing Act of 1949 for relocation payments made to individuals, families, business concerns, or nonprofit organizations, as the case may be."

Low-income housing demonstration program authorization

SEC. 407. Section 207 of the Housing Act of 1961 is amended by striking out "\$5,000,000" and inserting in lieu thereof "\$10,000,000".

TITLE V—RURAL HOUSING

Extension of senior citizens rental housing insurance program

SEC. 501. Section 515(b)(5) of the Housing Act of 1949 is amended by striking out "September 30, 1964" and inserting in lieu thereof "September 30, 1965".

Rural housing direct loan program

SEC. 502. (a) Section 511 of the Housing Act of 1949 is amended by striking out "\$700,000,000" and inserting in lieu thereof "\$850,000,000".

(b) Section 502(a) of such Act is amended by inserting after "a loan may be made by the Secretary to said applicant" the following: ", in a principal amount not exceeding \$15,000."

Definition of domestic farm labor

SEC. 503. Section 514(f)(3) of the Housing Act of 1949 is amended to read as follows:

"(3) the term 'domestic farm labor' means persons who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States and either (A) are citizens of the United States or (B) reside in the United States after being legally admitted for permanent residence therein."

TITLE VI—FEDERAL-STATE TRAINING PROGRAMS

Findings and purpose

SEC. 601. (a) The Congress finds that the rapid expansion of the Nation's urban areas and urban population has caused severe problems in urban and suburban development and created a national need to (1) provide special training in skills needed for economic and efficient community development and (2) support research in new or improved methods of dealing with community development problems.

(b) It is the purpose of this title to assist and encourage the States, in cooperation with public or private universities and colleges and urban centers, to (1) organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are likely to be, employed by a governmental or public body which has responsibilities for community development; and (2) support State and local research that is needed in connection with housing programs and needs, public improvement programming, code problems, efficient land use, urban transportation, and similar community development problems.

Matching grants to States

SEC. 602. (a) Subject to the provisions of this title and in accordance with regulations prescribed by him, the Administrator may make matching grants to States to assist in—

(1) organizing, initiating, developing, or expanding programs to provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are likely to be, employed by a governmental or public body which has responsibilities for community development; and (2) supporting State and local research that is needed in connection with housing programs and needs, public improvement programming, code problems, efficient land use, urban transportation, and similar community development problems, and collecting, collating, and publishing statistics and information relating to such research.

(b) No grants may be made to a State under this title unless the Administrator has approved a plan for the State which—

(1) sets forth the proposed use of the funds and the objectives to be accomplished; (2) explains the method by which the required amounts from non-Federal sources will be obtained;

(3) provides such fiscal control and fund accounting procedures as may be reasonably necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this title;

(4) designates an officer or agency of the State government who has responsibility and authority for the administration of a statewide research and training program as the officer or agency with responsibility and authority for the execution of the State program under this title; and

(5) provides that such officer or agency will make such reports to the Administrator, in such form, and containing such information, as may be reasonably necessary to enable the Administrator to perform his duties under this title.

(c) No grant may be made under this title for any use unless an amount at least equal to such grant is made available from non-Federal sources for the same purpose and for concurrent use.

(d) There is authorized to be appropriated for grants under this title, without fiscal year limitation, not to exceed \$10,000,000.

State limit

SEC. 603. Not more than 10 per centum of the total amount authorized to be appropriated by section 602(d) may be used for making grants to any one State.

Technical assistance, studies, and publication of information

SEC. 604. In order to carry out the purpose of this title, the Administrator is authorized to provide technical assistance to State and local governmental or public bodies and to undertake such studies and publish and distribute such information, either directly or by contract, as he shall determine to be desirable. Nothing contained in this title shall limit any authority of the Administrator under any other provision of law.

Miscellaneous

SEC. 605. (a) As used in this title, the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands; and the term "Administrator" means the Housing and Home Finance Administrator.

(b) There are authorized to be appropriated such sums as may be necessary for administrative and other expenses in carrying out this title.

TITLE VII—COMMUNITY FACILITIES

Public facility loans

SEC. 701. (a) Section 202(a) of the Housing Amendments of 1955 is amended by striking out "instrumentalities of States" in clause (1) of the first sentence and inserting in lieu thereof "instrumentalities of one or more States", and by striking out "in the same State" in such clause and inserting in lieu thereof "of one or more States".

(b) Section 202(b)(4) of such amendments is amended by inserting "(A)" before "to any municipality" in the first sentence, and by striking out everything in such sentence after "most recent decennial census, or" and inserting in lieu thereof the following: "(B) to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States, unless each municipality, political subdivision, and unincorporated area to be served by the specific public work or facility for which assistance is sought under this section has a population less than the applicable figure under clause (A) according to such census."

Advances for public works planning

SEC. 702. (a) Section 702(e) of the Housing Act of 1954 is amended to read as follows:

"(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter ap-

propriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances (and claims in connection with advances) outstanding as of such date, under title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-2). There are authorized to be appropriated to such revolving fund, in addition to amount authorized to be appropriated for the purposes of this section prior to the date of the enactment of the Housing Act of 1964, such sums, not to exceed \$20,000,000, as may be necessary to carry out the purposes of this section."

(b) Section 702 of such Act is further amended by adding at the end thereof the following new subsection:

"(h) (1) Notwithstanding any other provision of law, if a public agency or Indian tribe undertakes to construct only a portion of a public work planned with an advance under this section, under title V of the War Mobilization and Reconversion Act of 1944, or under the Act of October 13, 1949, it shall repay only such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable.

"(2) The Administrator is authorized to terminate, upon such terms and conditions as he shall deem equitable, all or a portion of the liability for repayment of any advance made under this section, title V of the War Mobilization and Reconversion Act of 1944, or the Act of October 13, 1949. Whenever the Administrator determines that there is no reasonable likelihood that the public work, or a portion of the public work planned with such advance will be constructed, he may terminate the agreement for the advance. Such determination shall be conclusive and shall be based on standards prescribed by regulations to be issued by the Administrator."

(c) Section 702 of such Act is further amended—

(1) by striking out "public agencies" wherever that term appears in subsection (a) and inserting in lieu thereof "public agencies and Indian tribes";

(2) by striking out "public agency" in clause (3) of subsection (b) and inserting in lieu thereof "public agency or Indian tribe";

(3) by striking out "to any public agency" and "by the public agency" in subsection (c) and inserting in lieu thereof "to any public agency or Indian tribe" and "by the public agency or Indian tribe", respectively, and by striking out "by such agency" in such subsection and inserting in lieu thereof "by such agency or tribe"; and

(4) by striking out "That if" and all that follows down through "And provided further," in subsection (c).

(d) Section 702(f) of such Act is amended by striking out "\$50,000" and inserting in lieu thereof "\$100,000".

(e) Section 702(a) of such Act is amended by insertin immediately before the first colon the following: "including, in the case of public works to be constructed in connection with the development of a medical center, a general plan for the development of such center".

(f) Section 702(b) of such Act is amended by striking out the last sentence.

TITLE VIII—SAVINGS AND LOAN ASSOCIATIONS

SEC. 801. (a) The first sentence of section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out "fifty miles" and inserting in lieu thereof "one hundred miles".

(b) The third sentence of section 403(b) of the National Housing Act is amended by striking out all that precedes the first semi-

colon and inserting in lieu thereof the following: "Each applicant for such insurance shall also file with its application an agreement that during the period that the insurance is in force it will not make any loans beyond one hundred miles from its principal office, except (1) loans in the area beyond such one-hundred-mile limit in which it was operating prior to June 27, 1934, and (2) loans which are made pursuant to regulations of the Corporation: *Provided*, That such agreement shall further provide that any loan made beyond fifty miles from the applicant's principal office (and outside the territory in which it was operating on such date) shall also be subject to such regulations".

SEC. 802. The first proviso in section 5(c) of the Home Owners' Loan Act of 1933 is amended—

(1) by striking out "\$35,000" and inserting in lieu thereof "\$40,000"; and

(2) by striking out "except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association".

SEC. 803. The next to last paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows:

"Without regard to any other provision of this subsection, any such association is authorized to invest not more than 5 per centum of its assets in, or in interests in, real property located within urban renewal areas as defined in subsection (a) of section 110 of the Housing Act of 1949 and obligations secured by first liens on real property so located, but no investment shall be made by an association under this sentence in real property or any interest therein if the aggregate investment of the association under this sentence in real property and interests therein, determined as prescribed by the Board, would thereupon exceed 2 per centum of the assets of the association."

SEC. 804. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof a new paragraph as follows:

"For the purpose of this section the terms 'real property' and 'real estate' shall include a leasehold or subleasehold estate in real property under a lease or sublease the term of which does not expire, or which is renewable automatically or at the option of the holder (or at the option of the association) so as not to expire, for at least fifteen years beyond the maturity of the debt, or for such shorter period as the Board, by regulation, may prescribe."

SEC. 805. Section 5(c) of the Home Owners' Loan Act of 1933 is further amended by adding at the end thereof (after the paragraph added by section 804 of this Act) the following new paragraph:

"Subject to rules and regulations of the Board, any such association is authorized to invest in the capital stock, obligations, or other securities of any corporation organized under the laws of the State, District, Commonwealth, territory, or possession in which the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of that State, District, Commonwealth, territory, or possession and by Federal savings and loan associations having their home offices therein, but no association may make any investment under this sentence if its aggregate outstanding investment under this sentence, determined as prescribed by the Board, would thereupon exceed 2 per centum of its assets."

SEC. 806. Section 10(b) of the Federal Home Loan Bank Act is amended—

(1) by striking out "twenty-five" in clause (1) and inserting in lieu thereof "thirty"; and

(2) by striking out "\$35,000" in clause (2) and inserting in lieu thereof "\$40,000".

SEC. 807. The second proviso in the first paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out "or in the obligations of the Federal National Mortgage Association" and inserting in lieu thereof the following: "or in obligations of the Federal National Mortgage Association or of any other agency of the United States; or in obligations of or guaranteed by, or special obligations (which may be defined by the Board) issued by, any one or more of the following: any State, any county, municipality, or political subdivision of any State, or any district, public instrumentality, or public authority of any one or more of the foregoing; and as used in this proviso the term 'State' shall include the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States".

SEC. 808. The first sentence of the second paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows: "Without regard to any other provision of this subsection except the area requirement, any such association is authorized to invest a sum not in excess of 20 per centum of the assets of such association in loans insured under title I of the National Housing Act, in home improvement loans insured under title II of the National Housing Act, in unsecured loans insured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as amended, or chapter 37 of title 38 of the United States Code, and in other loans for property alteration, repair, or improvement: *Provided*, That no such loan, unless so insured or guaranteed, shall be made in excess of \$5,000."

SEC. 809. Title IV of the National Housing Act is amended by adding at the end thereof the following new section:

Investment of certain funds in accounts of insured institutions

"SEC. 409. The savings accounts and share accounts held by institutions insured by the Corporation, to the extent they are insured by the Corporation, shall be lawful investments and may be accepted as security for all public funds of the United States, fiduciary and trust funds under the authority or control of the United States or any officer or officers thereof, and for the funds of all corporations organized under the laws of the United States, regardless of any limitation of law upon the investment of any such funds or upon the acceptance of security for the investment or deposit of any of such funds."

TITLE IX—MISCELLANEOUS

FNMA—Removal of \$20,000 mortgage amount limitation

SEC. 901. Section 302(b) of the National Housing Act is amended—

(1) by striking out "any mortgage" in clause (3) and inserting in lieu thereof "any mortgage under section 305"; and

(2) by striking out the proviso in clause (3).

FNMA—Ninety per centum loans

SEC. 902. Section 304(a) (2) of the National Housing Act is amended by striking out "80 per centum" and inserting in lieu thereof "90 per centum".

Open-space program—grant authorization

SEC. 903. Section 702(b) of the Housing Act of 1961 is amended—

(1) by striking out "\$50,000,000" and inserting in lieu thereof "\$75,000,000"; and

(2) by adding at the end thereof the following: "All funds so appropriated shall remain available until expended."

College housing loans

SEC. 904. The second paragraph of section 404(b) of the Housing Act of 1950 is amended by adding at the end thereof the following new sentence: "Where State law would prevent the institution (or all of the institutions) for whose students or students and

faculty the housing is to be provided from cosigning the note, the Administrator shall instead require the approval of the corporation and the proposed project by such institution (or by any one or more of such institutions)."

Acquisition of certain housing by Secretary of Defense

SEC. 905. The first sentence of section 404(a) of the Housing Amendments of 1955 is amended by inserting before the period at the end thereof the following: ", or (3) any housing situated on or adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) considered by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 608 of the National Housing Act, including adjacent property constructed primarily to provide commercial facilities for the occupants of such housing".

Forest Hills project in Paducah, Kentucky

SEC. 906. The Federal Housing Commissioner is authorized and directed to sell to the Paducah-McCracken County Development Council, Incorporated, of Paducah, Kentucky, for use as a public facility (including such use by the Paducah Junior College as may be deemed appropriate by such Council), and for a total price of \$1,000,000, all right, title, and interest of the United States in and to the housing project in Paducah known as Forest Hills (a project constructed under title VIII of the National Housing Act as in effect prior to August 11, 1955, and subsequently acquired by the Federal Housing Administration).

Payment in lieu of taxes by Hawaii Housing Authority

SEC. 907. Notwithstanding the provisions of any other law or any contract or rule of law, the Public Housing Commissioner shall approve a payment in lieu of taxes to be made for the fiscal year ended June 30, 1959, in the amount of \$24,167.78, by the Hawaii Housing Authority to the city and county of Honolulu.

Transfer of land for urban renewal purposes by Philadelphia Housing Authority

SEC. 908. (a) Notwithstanding the provisions of title I of the Housing Act of 1949 and the United States Housing Act of 1937, the Housing and Home Finance Administrator and the Public Housing Commissioner are authorized and directed to consent to the transfer by the Philadelphia Housing Authority to the Philadelphia Redevelopment Authority of all property acquired by the Housing Authority for low-rent housing project numbered Pennsylvania 2-51, on condition that (1) an amount which, together with any funds of the Housing Authority available for the purpose, is sufficient to pay and discharge all obligations incurred by the Housing Authority in connection with such low-rent housing project and owing at the time of transfer, will be paid by the Redevelopment Authority to the Public Housing Administration to be applied in satisfaction of the Housing Authority's obligations which it cannot meet with its own funds available for the purpose, and (2) the total amount so paid by the Redevelopment Authority will be included in the gross project cost of its Whitman urban renewal project, Pennsylvania R-35.

(b) The Housing and Home Finance Administrator and the Public Housing Commissioner are authorized to modify any contracts heretofore entered into and to take any other appropriate action necessary to carry out the provisions of subsection (a).

Eligibility of certain local grants-in-aid

SEC. 909. Notwithstanding the date of the commencement of construction of the Fox Point hurricane dam in Providence, Rhode Island, local expenditures made in connection with such dam shall, to the extent otherwise eligible, be counted as a local grant-in-aid to the railroad relocation urban renewal project (Rhode Island R-8) in accordance with the provisions of title I of the Housing Act of 1949.

AMENDMENT OFFERED BY MR. WIDNALL

Mr. WIDNALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WIDNALL: On page 72, line 4, strike out "Subject to rules and regulations of the Board."

On page 72, line 16, strike out "2" and insert in lieu thereof "1".

Mr. WIDNALL. Mr. Chairman, the purpose of this amendment is simply to make it clear that Federal savings and loan associations may invest in the securities of certain State chartered corporations whose purpose is to supplement and facilitate the services of the savings and loan associations. In my State, the Central Corporation of Savings and Loan Associations, organized under State law, has served a useful purpose and we want to make sure that Federal savings and loan associations in New Jersey may invest in that corporation if they wish to.

By eliminating the power to regulate such investments, we make certain that the New Jersey corporation will not be discriminated against solely because its charter might permit it to do a wider variety of things than a Federal agency might consider proper.

To give assurance that this will have no significant effect on the basic purpose of Federal savings and loan associations, my amendment would also reduce from 2 percent to 1 percent the portion of assets that may be invested. In other words, it would reduce the amount that a Federal association could invest in State corporations to such a small percentage of its assets that it would not be necessary to prescribe further restrictions and regulations.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman.

Mr. RAINS. As the gentleman has stated, this affects, I think, only the State of New Jersey. The amendment meets with approval on this side, and we see no objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. WIDNALL].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TAFT

Mr. TAFT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TAFT: Page 74, after line 18, insert the following new section:

"SEC. 810. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by inserting after the second paragraph the following new paragraph:

"Without regard to any other provision of this subsection, any such association is

authorized to invest in loans, obligations, and advances of credit (all of which are hereinafter referred to as "loans" made for the payment of expenses of college or university education, but no association shall make any investment in loans under this paragraph if the principal amount of its investment in such loans, exclusive of any investment which is or which at the time of its making was otherwise authorized, would thereupon exceed 5 per centum of its assets."

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. TAFT. I am glad to yield to the gentleman.

Mr. PATMAN. I will state to the gentleman that we have considered the amendment on this side. It limits the amount to 5 percent of the assets of the association; that is correct is it not?

Mr. TAFT. That is correct, yes.

Mr. PATMAN. We are ready to accept the amendment.

Mr. TAFT. I thank the gentleman.

I would say to my colleagues that the purpose of the amendment is to extend to Federal savings and loan associations power to make college loans.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TAFT].

Mr. TAFT. Mr. Chairman, this amendment grants to Federal savings and loan associations the power to make college loans. Such power is in the public interest and if supplemented by proper State legislation could bring these institutions into State guaranteed college loan plans. In Ohio in 1961 we enacted such a law. Since that time there have been made 4,864 such loans by Ohio banks. Such loans are 80 percent guaranteed by the State. The total amount loaned on such loans has been \$3,662,176. The maximum interest charge allowed is 5 percent. Hopefully, with this amendment adopted such a plan could be extended to both federally and State-chartered savings and loan associations, thereby reducing the need for National Defense Education Act loans for which we are about to be asked to extend many more millions of Federal funds. The State approach is a preferable one.

The amendment was agreed to.

AMENDMENT OFFERED BY MR. OLIVER P. BOLTON

Mr. OLIVER P. BOLTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OLIVER P. BOLTON: Page 75, after line 8, insert the following new section:

"TRANSFER OF MORTGAGOR'S EQUITY IN RESIDENCE COVERED BY FHA-INSURED MORTGAGE

"SEC. 903. (a) If—

"(1) an individual is the mortgagor under a mortgage which is insured under the National Housing Act and which covers a one-, two-, three-, or four-family residence being used by such individual as his principal residence;

"(2) such individual is not in default on any payments under such mortgage, and either (A) at least one year has expired since the date of the execution of the mortgage or (B) such individual's equity in the property covered by the mortgage is at least \$500; and

"(3) such individual is required to move to a new location in the United States for reasons of health, because of a change in his employment, or for any other cause determined by the Federal Housing Commissioner to be reasonable or unavoidable,

"then under regulations prescribed by the Federal Housing Commissioner, such individual may transfer his equity in the property to a similar dwelling in the new location, in the manner provided by subsection (b).

"(b) An individual desiring to transfer his equity as provided in subsection (a) shall make application therefor to the Federal Housing Commissioner in such manner and form, and in accordance with such terms and conditions, as the Commissioner may require. The Commissioner may approve the application if he finds that the individual meets the conditions specified in subsection (a) and in the preceding sentence, and if the Commissioner holds title to a dwelling in the new location (acquired by him under section 204, 213(e), 220(f)(1), 221(g)(1), 222(d), 233(e), or 809(d) of the National Housing Act, or in any other manner) which such individual desires to purchase for use as his principal residence in the new location. Upon approving the application the Commissioner shall effect the transfer of the individual's equity by accepting the conveyance from him of title to his existing dwelling and selling to him the dwelling in the new location, for cash or credit and on terms and conditions as nearly equivalent to those applicable to the existing dwelling as may be practicable, but in any case reducing the purchase price thereof by an amount equal to the equity held by such individual in the existing dwelling.

"(c) As used in this section, the term 'equity', with respect to any property, means the amount determined by the Federal Housing Commissioner to be the value of the owner's interest in the property after deducting an amount equal to the customary sales expense and conveyancing costs prevailing in the locality for similar properties."

And redesignate the succeeding sections accordingly.

Mr. OLIVER P. BOLTON. Mr. Chairman, this amendment attempts to make possible the transfer of the equity which a buyer has in a house covered by an FHA guarantee who has to move to another town either to secure work or for any other reason. It gives the FHA the right—it is not mandatory, but it is voluntary on the part of the FHA, to take title to the house which the person owned and was paying on in exchange for the title to the house that the FHA has had to foreclose on in some other area of the country.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. OLIVER P. BOLTON. I yield to the gentleman from Alabama.

Mr. RAINS. As I understand the gentleman's amendment, it would cover a case in which a man had a home with an FHA insured mortgage and some equity in it and was required, by reason of health or employment or something else, to transfer to some other part of the country. This would let him apply that equity toward the purchase of an FHA-held house in his new location.

I see nothing wrong with the gentleman's amendment. I note it does not apply to GI loans in their original form and will be applicable to limited cases. I can see some good in the amendment, because a man might lose money if he had to sell his home too hastily.

I am glad that I can agree with the gentleman.

Mr. OLIVER P. BOLTON. I appreciate the gentleman's comments and his acceptance of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. BOLTON].

The amendment was agreed to.

Mr. KILBURN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time to inform the Committee that I expect to offer a motion to recommit with instructions to include the Bolton amendment. In my opinion, the amendment would protect the builders and financiers to assure them the continuation of FHA mortgages.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, the gentleman from New York [Mr. KEOGH], Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12175) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, pursuant to House Resolution 841, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. KILBURN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KILBURN. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KILBURN moves to recommit the bill (H.R. 12175) to the Committee on Banking and Currency with instructions to report the same back to the House forthwith with the following amendment:

Page 32, after line 5, insert the following new section:

"GENERAL FHA MORTGAGE INSURANCE AUTHORIZATION

"SEC. 120. Section 217 of the National Housing Act is amended to read as follows: "General mortgage insurance authorization

"SEC. 217. Notwithstanding any other limitations contained in this Act on the aggregate amount of principal obligations of mortgages or loans which may be insured (or insured and outstanding at any one time), the aggregate amount of the principal obligations of all mortgages and loans which may be insured and outstanding at any one time after October 1, 1965, under insurance contracts pursuant to the provisions of this Act other than section 2, section 221, and title VIII, plus the aggregate amount of the principal obligations of all mortgages and loans covered by commit-

ments to insure pursuant to any of such provisions which may be outstanding at such time, shall not exceed the sum of the outstanding principal balances of all mortgages and loans insured pursuant to such provisions as of October 1, 1965 (as estimated by the Commissioner on the basis of scheduled amortization payments without taking into account prepayments or delinquencies), and the principal amount of all outstanding commitments to insure pursuant to such provisions as of that date."

The SPEAKER. The question is on the motion to recommit.

Mr. KILBURN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 184, nays 194, not voting 52, as follows:

[Roll No. 224]

YEAS—184

| | | |
|-------------------|---------------|----------------|
| Abbott | Findley | Nelsen |
| Abele | Fisher | Norblad |
| Abernethy | Ford | Osmer |
| Adair | Foreman | Ostertag |
| Anderson | Fountain | Pelly |
| Andrews, Ala. | Frelinghuysen | Pillion |
| Andrews, N. Dak. | Fulton, Pa. | Pirnie |
| Arends | Gathings | Poff |
| Ashbrook | Glenn | Quie |
| Ashmore | Goodell | Quillen |
| Auchincloss | Goodling | Reid, Ill. |
| Ayres | Grant | Reid, N.Y. |
| Baker | Gross | Reifel |
| Baldwin | Grover | Rhodes, Ariz. |
| Barry | Gubser | Rich |
| Bates | Gurney | Riehlman |
| Battin | Hall | Robison |
| Becker | Harrison | Roudebush |
| Beermann | Harsha | Rumsfeld |
| Belcher | Harvey, Ind. | St. George |
| Bell | Henderson | Saylor |
| Berry | Herlong | Schadeberg |
| Betts | Hoeven | Schenck |
| Bolton, Oliver P. | Horan | Schneebeli |
| Bow | Horton | Schweiker |
| Bray | Hosmer | Schwengel |
| Brock | Huddleston | Secrest |
| Bromwell | Hutchinson | Selden |
| Broomfield | Jarman | Short |
| Brotzman | Jensen | Shriver |
| Brown, Ohio | Johansen | Sibal |
| Broyhill, N.C. | Johnson, Pa. | Siler |
| Broyhill, Va. | Jonas | Skubitz |
| Bruce | Keith | Smith, Calif. |
| Burton, Utah | Kilburn | Smith, Va. |
| Byrnes, Wis. | Kilgore | Snyder |
| Cahill | King, N.Y. | Springer |
| Casey | Knox | Stafford |
| Cederberg | Kornegay | Taft |
| Chamberlain | Kunkel | Talcott |
| Chenoweth | Kyl | Taylor |
| Clancy | Laird | Teague, Calif. |
| Clausen, Don H. | Langen | Thomson, Wis. |
| Clawson, Del. | Latta | Tollefson |
| Cleveland | Lennon | Tuck |
| Collier | Lindsay | Tupper |
| Colmer | Lipscomb | Utt |
| Conte | McClory | Van Pelt |
| Corbett | McCulloch | Wallhauser |
| Cramer | McDade | Watson |
| Cunningham | McIntire | Weaver |
| Curtin | McLoskey | Westland |
| Curtis | MacGregor | Whalley |
| Dague | Marsh | Wharton |
| Derwinski | Martin, Nebr. | Whitten |
| Devine | May | Widnall |
| Dole | Meader | Williams |
| Dorn | Michel | Wilson, Bob |
| Dwyer | Milliken | Wyder |
| Ellsworth | Minshall | Wyman |
| | Moore | Younger |
| | Morse | |
| | Mosher | |

NAYS—194

| | | |
|---------------|----------------|--------------|
| Addabbo | Bonner | Cohelan |
| Albert | Brademas | Cooley |
| Ashley | Brooks | Corman |
| Aspinall | Burke | Daddario |
| Barrett | Burkhalter | Daniels |
| Bass | Burleson | Davis, Ga. |
| Beckworth | Burton, Calif. | Davis, Tenn. |
| Bennett, Fla. | Byrne, Pa. | Dawson |
| Blatnik | Carey | Delaney |
| Boggs | Celler | Dent |
| Boland | Chelf | Denton |
| Bolling | Clark | Diggs |

Donohue
Dowdy
Downing
Dulski
Duncan
Edmondson
Elliott
Everett
Evins
Fallon
Farbstein
Fascell
Feighan
Finnegan
Fino
Flood
Fogarty
Fraser
Friedel
Fulton, Tenn.
Gallagher
Garmatz
Gary
Glaimo
Gibbons
Gilbert
Gonzalez
Grabowski
Gray
Green, Oreg.
Green, Pa.
Griffiths
Hagen, Calif.
Halpern
Hansen
Harding
Hardy
Harris
Hawkins
Hebert
Hechler
Holifield
Holland
Hull
Ichord
Jennings
Joelson
Johnson, Calif.
Johnson, Wis.
Jones, Mo.
Karsten
Karth
Kastenmeier

Kelly
Keogh
King, Calif.
Kirwan
Kluczynski
Leggett
Libonati
Long, La.
Long, Md.
McDowell
McFall
McMillan
Macdonald
Madden
Mahon
Matsunaga
Matthews
Miller, Calif.
Mills
Minish
Monagan
Moorhead
Morgan
Morris
Morrison
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nix
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen, Mont.
O'Neill
Patman
Patten
Pepper
Perkins
Philbin
Pickle
Pike
Pilcher
Poage
Price
Pucinski
Purcell
Rains
Randall

Reuss
Rhodes, Pa.
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Rodino
Rogers, Colo.
Rogers, Fla.
Rogers, Tex.
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
Roush
Roybal
Ryan, N.Y.
St Germain
St. Onge
Senger
Sickles
Sikes
Slack
Smith, Iowa
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Thomas
Thompson, N.J.
Thompson, Tex.
Trimble
Tuten
Udall
Ullman
Vanik
Vinson
Waggonner
Watts
Weltner
White
Whitener
Willis
Wilson, Charles H.
Wright
Young
Zablocki

NOT VOTING—52

Alger
Avery
Baring
Bolton,
Frances P.
Brown, Calif.
Buckley
Cameron
Derounian
Dingell
Edwards
Flynt
Forrester
Fuqua
Gill
Griffin
Hagan, Ga.
Haley

Halleck
Hanna
Harvey, Mich.
Hays
Healey
Hoffman
Jones, Ala.
Kee
Landrum
Lankford
Lesinski
Lloyd
Mailliard
Martin, Calif.
Martin, Mass.
Mathias
Miller, N.Y.
Montoya

Morton
Nedzi
Olson, Minn.
Passman
Powell
Ryan, Mich.
Scott
Sheppard
Shipley
Staeble
Stinson
Teague, Tex.
Thompson, La.
Toll
Wickersham
Wilson, Ind.
Winstead

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Hoffman for, with Mr. Hays against.
Mr. Haley for, with Mr. Cameron against.
Mrs. Frances P. Bolton for, with Mr. Shipley against.
Mr. Wilson of Indiana for, with Mr. Brown of California against.
Mr. Alger for, with Mr. Toll against.
Mr. Scott for, with Mr. Dingell against.
Mr. Martin of California for, with Mr. Nedzi against.
Mr. Mathias for, with Mr. Ryan of Michigan against.
Mr. Winstead for, with Mr. Lesinski against.
Mr. Derounian for, with Mr. Powell against.

Until further notice:

Mr. Fuqua with Mr. Avery.
Mr. Gill with Mr. Harvey of Michigan.
Mr. Hagan of Georgia with Mr. Martin of Massachusetts.
Mr. Hanna with Mr. Morton.

Mr. Staeble with Mr. Mailliard.
Mr. Jones of Alabama with Mr. Stinson.
Mr. Thompson of Louisiana with Mr. Healey.
Mr. Wickersham with Mr. Buckley.
Mr. Flynt with Mr. Lankford.
Mr. Montoya with Mrs. Kee.
Mr. Forrester with Mr. Sheppard.
Mr. Landrum with Mr. Passman.
Mr. Olson of Minnesota with Mr. Teague.
Mr. Edwards with Mr. Baring.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. WIDNALL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 308, nays 68, not voting 56, as follows:

[Roll No. 225]

YEAS—308

Addabbo
Albert
Andrews,
N. Dak.
Arends
Ashley
Aspinall
Auchincloss
Avery
Ayres
Baker
Baldwin
Barrett
Barry
Bass
Bates
Battin
Beckworth
Bell
Bennett, Fla.
Berry
Betts
Blatnik
Boggs
Boland
Bolling
Bolton,
Oliver P.
Bonner
Bow
Brademas
Brook
Bromwell
Brooks
Broomfield
Brotzman
Broyhill, N.C.
Broyhill, Va.
Burke
Burkhalter
Byrne, Pa.
Byrnes, Wis.
Cahill
Carey
Cederberg
Celler
Chamberlain
Chelf
Chenoweth
Clancy
Clark
Clausen,
Don H.
Cleveland
Cohelan
Collier
Conte
Cooley
Corbett
Corman
Cramer
Cunningham
Curtin
Daddario
Dague
Daniels
Davis, Ga.
Davis, Tenn.
Dawson
Delaney
Dent
Denton
Derwinski
Diggs
Donohue
Downing

Dulski
Duncan
Dwyer
Edmondson
Elliott
Ellsworth
Everett
Evins
Fallon
Farbstein
Fascell
Feighan
Finnegan
Fino
Flood
Fogarty
Ford
Fountain
Fraser
Frelinghuysen
Friedel
Fulton, Pa.
Fulton, Tenn.
Gallagher
Garmatz
Gary
Glaimo
Gibbons
Gilbert
Glenn
Gonzalez
Goodell
Gooding
Grabowski
Gray
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gurney
Hagen, Calif.
Halpern
Hansen
Harding
Hardy
Harris
Hawkins
Hebert
Hechler
Henderson
Herlong
Hoeven
Holifield
Holland
Horan
Horton
Hosmer
Hull
Ichord
Jarman
Jennings
Joelson
Johnson, Calif.
Johnson, Pa.
Johnson, Wis.
Jonas
Karsten
Karth
Kastenmeier
Keith
Kelly
Keogh
King, Calif.
King, N.Y.
Kirwan

Kluczynski
Knox
Kornegay
Kunkel
Kyl
Laird
Langen
Latta
Leggett
Lennon
Libonati
Lindsay
Long, La.
Long, Md.
McDade
McDowell
McFall
McIntire
McLoskey
Macdonald
MacGregor
Madden
Matsunaga
Matthews
May
Meador
Michel
Miller, Calif.
Milliken
Mills
Minish
Monagan
Moore
Moorhead
Morgan
Morris
Morrison
Morse
Mosher
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Murray
Natcher
Nelsen
Nix
Norblad
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
O'Konski
Olsen, Mont.
O'Neill
Osmers
Ostertag
Patman
Patten
Pelly
Pepper
Perkins
Philbin
Pickle
Pike
Pilcher
Pirnie
Poage
Price
Pucinski
Purcell
Quie
Rains
Randall
Reid, Ill.
Reid, N.Y.
Reifel

Reuss
Rhodes, Pa.
Rich
Riehlman
Rivers, Alaska
Rivers, S.C.
Roberts, Ala.
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
Roush
Roybal
Rumsfeld
Ryan, N.Y.
St. George
St Germain
St. Onge
Saylor
Schenck
Schneebeli
Schweiker
Schwengel

Secrest
Senger
Shriver
Sibal
Sickles
Sikes
Sisk
Slack
Smith, Iowa
Springer
Stafford
Staggers
Steed
Stephens
Stratton
Stubblefield
Sullivan
Taft
Talcott
Taylor
Teague, Calif.
Thomas
Thompson, N.J.
Thompson, Tex.
Thomson, Wis.
Tollefson
Trimble
Tupper

Tuten
Udall
Ullman
Van Deerlin
Vanik
Van Pelt
Vinson
Waggonner
Wallhauser
Watts
Weaver
Weltner
Westland
Whalley
Wharton
White
Whitener
Widnall
Willis
Wilson, Bob
Wilson, Charles H.
Wright
Wyder
Wyman
Young
Younger
Zablocki

NAYS—68

Abbitt
Abele
Abernethy
Adair
Anderson
Andrews, Ala.
Ashbrook
Ashmore
Becker
Beermann
Belcher
Bray
Brown, Ohio
Bruce
Burlison
Casey
Clawson, Del.
Colmer
Curtis
Devine
Dole
Dorn
Dowdy

Findley
Fisher
Gathings
Grant
Gross
Hall
Harrison
Harsha
Harvey, Ind.
Huddleston
Hutchinson
Jensen
Johansen
Jones, Mo.
Kilburn
Kilgore
Lipscomb
McClory
McCulloch
McMillan
Mahon
Marsh
Martin, Nebr.

Minshall
Pillion
Poff
Pool
Quillen
Rhodes, Ariz.
Rogers, Fla.
Rogers, Tex.
Roudebush
Schadeberg
Selden
Short
Siler
Skubitz
Smith, Calif.
Smith, Va.
Snyder
Tuck
Utt
Watson
Whitten
Williams

NOT VOTING—56

Alger
Baring
Bolton,
Frances P.
Brown, Calif.
Buckley
Burton, Calif.
Burton, Utah
Cameron
Derounian
Dingell
Edwards
Flynt
Foreman
Forrester
Fuqua
Gill
Griffin
Hagan, Ga.

Haley
Halleck
Hanna
Harvey, Mich.
Hays
Healey
Hoffman
Jones, Ala.
Kee
Landrum
Lankford
Lesinski
Lloyd
Mailliard
Martin, Calif.
Martin, Mass.
Mathias
Miller, N.Y.
Montoya

Morton
Nedzi
Olson, Minn.
Passman
Powell
Ryan, Mich.
Scott
Sheppard
Shipley
Staeble
Stinson
Teague, Tex.
Thompson, La.
Toll
Wickersham
Wilson, Ind.
Winstead

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Derounian for, with Mr. Hoffman against.
Mr. Hays for, with Mr. Winstead against.
Mrs. Frances P. Bolton for, with Mr. Alger against.
Mr. Martin of California for, with Mr. Foreman against.

Until further notice:

Mr. Toll with Mr. Mathias.
Mr. Gill with Mr. Burton of Utah.
Mr. Hanna with Mr. Griffin.
Mr. Shipley with Mr. Mailliard.
Mr. Hagan of Georgia with Mr. Stinson.
Mr. Montoya with Mr. Martin of Massachusetts.
Mr. Cameron with Mr. Wilson of Indiana.
Mr. Thompson of Louisiana with Mr. Morton.
Mr. Wickersham with Mr. Harvey of Michigan.
Mr. Fuqua with Mr. Buckley.

Mr. Dingell with Mr. Powell.
 Mr. Staebler with Mr. Scott.
 Mr. Brown of California with Mr. Baring.
 Mr. Jones of Alabama with Mrs. Kee.
 Mr. Lesinski with Mr. Teague of Texas.
 Mr. Nedzi with Mr. Haley.
 Mr. Ryan of Michigan with Mr. Sheppard.
 Mr. Flynt with Mr. Olson of Minnesota.
 Mr. Forrester with Mr. Passman.
 Mr. Edwards with Mr. Healey.
 Mr. Landrum with Mr. Burton of California.

Mr. SENNER changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. RAINS. Mr. Speaker, pursuant to House Resolution 841, I call up from the Speaker's table for immediate consideration the bill (S. 3049) to extend and amend laws relating to housing urban renewal, and community facilities, and for other purposes.

The Clerk read the title of the bill.

The Clerk read the Senate bill.

Mr. RAINS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RAINS: Strike out all after the enacting clause of S. 3049 and insert in lieu thereof the text of H.R. 12175, as passed, as follows:

"That this Act may be cited as the 'Housing Act of 1964'.

"TITLE I—AMENDMENTS TO THE NATIONAL HOUSING ACT

"Mortgage limit for homes under section 203 programs

"SEC. 101. (a) Section 203(b) (2) of the National Housing Act is amended—

"(1) by striking out '\$25,000', '\$27,500', '\$27,500', and '\$35,000' and inserting in lieu thereof '\$30,000', '\$32,500', '\$32,500', and '\$37,500', respectively; and

"(2) by striking out '90 per centum', '90 per centum', and '75 per centum' and inserting in lieu thereof '92 per centum', '92½ per centum', and '80 per centum', respectively.

"(b) Section 203(i) of such Act is amended by striking out '\$90,000' and inserting in lieu thereof '\$11,000'.

"Home improvement loans outside of urban renewal areas

"SEC. 102. Section 203(k) of the National Housing Act is amended by striking out 'economically sound' in clause (2) of the first sentence and inserting in lieu thereof 'an acceptable risk'.

"Additional relief for home mortgagors in default due to circumstances beyond their control

"SEC. 103. (a) Section 204(a) of the National Housing Act is amended by striking out the fourth proviso and inserting in lieu thereof the following: 'And provided further, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor, he may, upon such terms and conditions as he may prescribe, (1) approve the request of the mortgagee for an extension of the time for the curing of the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property to such time as the Commissioner may determine is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the

mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means the Commissioner is authorized to include in the debentures an amount equal to any unpaid mortgage interest, or (2) approve a modification of the terms of the mortgage for the purpose of changing the amortization provisions by recasting, over the remaining term of the mortgage or over such longer period as may be approved by the Commissioner, the total unpaid amount then due, as determined by the Commissioner, with the modification to become effective currently or to become effective upon the termination of an agreed-upon extension of the period for curing the default; and the principal amount of the mortgage, as modified, shall be considered to be the "original principal obligation of the mortgage" as that term is used in this Act for the purpose of computing the total face value of the debentures to be issued or the cash payment to be made by the Commissioner to a mortgagee'.

(b) "Section 230 of such Act is amended by striking out the first sentence and inserting in lieu thereof the following: 'Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner, in his discretion and for the purpose of avoiding foreclosure of the mortgage, and notwithstanding the fact that he has previously approved a request of the mortgagee for an extension of the time for curing the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, or has approved a modification of the mortgage for the purpose of changing the amortization provisions by recasting the unpaid balance, may acquire the loan and security therefor upon payment of the insurance benefits in an amount equal to the unpaid principal balance of the loan plus any unpaid mortgage interest plus reimbursement for such costs and attorney's fees as the Commissioner finds were properly incurred in connection with the defaulted mortgage and its assignment to the Commissioner, and for any proper advances theretofore made by the mortgagee under the provisions of the mortgage. After the acquisition of such mortgage by the Commissioner, the mortgagee shall have no further rights, liabilities, or obligations with respect thereto'.

"Maximum amount of section 207 rental housing mortgages

"SEC. 104. Section 207(c) (2) of the National Housing Act is amended by striking out all that follows the first colon and precedes 'to mortgages on housing in Alaska', and inserting in lieu thereof the following: 'Provided, That this limitation shall not apply'.

"Family unit limits on FHA rental housing

"SEC. 105. (a) Section 207(c) (3) of the National Housing Act is amended by striking out the first paragraph and inserting in lieu thereof the following:

"(3) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms or not to exceed \$1,800 per space or \$500,000 per mortgage for trailer courts or parks; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs in-

cident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require.'

"(b) Section 213(b) (2) of such Act is amended by striking out all that precedes the third proviso and inserting in lieu thereof the following:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms, and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided*, That as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further*, That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require'.

"(c) Section 220(d) (3) (B) (iii) of such Act is amended to read as follows:

"(iii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require: *Provided*, That nothing contained in this subparagraph shall preclude the insurance of mortgages covering existing multifamily dwellings to be rehabilitated or reconstructed for the purposes set forth in subsection (a) of this section; and'.

"(d) (1) Section 221(d) (3) (ii) of such Act is amended to read as follows:

"(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase

the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require; and'.

"(2) Section 221(d)(4)(ii) of such Act is amended to read as follows:

"(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require; and'.

"(e) Section 231(c)(2) of such Act is amended to read as follows:

"(2) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require; and'.

"(f)(1) Clause (2) in the first sentence of section 810(f) of such Act is amended by striking out '\$2,500 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit)' and inserting in lieu thereof '\$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms'.

"(2) The second sentence of section 810(f) of such Act is amended to read as follows: 'The Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require.'

"Supplementary cooperative loans under section 213(j)

"SEC. 106. (a) Section 213(j)(1) of the National Housing Act is amended—

"(1) by striking out 'or' at the end of clause (A);

"(2) by striking out the period at the end of clause (B) and inserting in lieu thereof '; or'; and

"(3) by adding at the end thereof the following new clause:

"(C) Cooperative purchases and resales of memberships in order to provide necessary refinancing for resales of memberships which involve increases in equity; but in such resales by the cooperative the downpayments by the new members shall not be less than those made on the original sales of such memberships.'

"(b) Section 305(e) of such Act is amended by adding at the end thereof the following new sentence: 'Without regard to any of the limitations of this subsection except the total amount of authorizations available, the Association is authorized to enter into advance commitment contracts and purchase transactions on supplementary cooperative loans with respect to which the Federal Housing Commissioner shall have issued, pursuant to section 213(j), either a commitment to insure or a statement of eligibility; but such commitments and purchases shall be made solely where there is management-type cooperative involved which is certified by the Federal Housing Commissioner as a consumer cooperative.'

"Mutuality for management-type cooperatives

"SEC. 107. (a) Section 213 of the National Housing Act is amended by adding at the end thereof the following new subsections:

"(k) There is hereby created a Cooperative Management Housing Insurance Fund (hereinafter referred to as the 'Management Fund'). The Management Fund shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section with respect to mortgages or loans insured, on or after the date of the enactment of this subsection, under subsections (a)(1), (a)(3) (if the project is acquired by a cooperative corporation), (i), and (j). The Management Fund shall also be used as a revolving fund for mortgages, loans, and commitments transferred to it pursuant to subsection (m). The Commissioner is directed to transfer to the Management Fund from the Housing Insurance Fund established pursuant to section 207(f) such amount as the Commissioner determines to be necessary and appropriate. General expenses of operation of the Federal Housing Administration relating to mortgages or loans which are the obligation of the Management Fund may be charged to the Management Fund.

"(l) The Commissioner shall establish in the Management Fund, as of the date of the enactment of this subsection, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Management Fund, in any semiannual period, shall be credited or charged to the General Surplus Account or the Participating Reserve Account or both in such manner and amounts as the Commissioner may determine to be in accord with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Management Fund by payment of any mortgage or loan insured under this section, and at such time or times prior to such termination as the Commissioner may determine, the Commissioner is authorized to distribute to the mortgagor or borrower a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided*,

That in no event shall the amount of the distributable share exceed the aggregate scheduled annual premiums of the mortgagor or borrower to the year of payment of the share less the total amount of any share or shares previously distributed by the Commissioner to the mortgagor or borrower: *And provided further*, That in no event may a distributable share be distributed until any funds transferred to the Management Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor, mortgagee, borrower, or lender shall have any vested right in a credit balance in any such account or be subject to any liability arising out of the mutuality of the Management Fund. The determination of the Commissioner as to the amount to be paid by him to any mortgagor or borrower shall be final and conclusive.

"(m) The Commissioner is authorized to transfer to the Management Fund commitments for insurance issued under subsections (a)(1), and (i), and (j) prior to the date of the enactment of this subsection, and to transfer to the Management Fund the insurance of any mortgage or loan insured prior to the date of the enactment of this subsection under subsection (a)(1), (a)(3) (if the project is acquired by a cooperative corporation), (i), or (j), but only in cases where the consent of the mortgagee or lender to the transfer is obtained or a request by the mortgagee or lender for the transfer is received by the Commissioner within such period of time after the date of the enactment of this subsection as the Commissioner shall prescribe: *Provided*, That the insurance of any mortgage or loan shall not be transferred under the provisions of this subsection if on the date of the enactment of this subsection the mortgage or loan is in default and the mortgagee or lender has notified the Commissioner in writing of its intention to file an insurance claim. Any insurance or commitment not so transferred shall continue to be an obligation of the Housing Insurance Fund.

"(n) Notwithstanding the limitations contained in other provisions of this Act, premium charges for mortgages or loans insured under sections 207, 213, 231, and 232 may be payable in debentures issued in connection with mortgages or loans transferred to the Management Fund or in connection with mortgages or loans insured pursuant to commitments transferred to the Management Fund, as provided in subsection (m) of this section.'

"(b) Section 213 of such Act is further amended—

"(1) by inserting before the period at the end of subsection (a) the following: '*Provided*, That as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund, the reference to the Housing Fund in section 207(b)(2) shall be construed to refer to the Management Fund'; and

"(2) by inserting before the period at the end of subsection (e) the following: '*Provided*, That as applied to mortgages or loans the insurance for which is the obligation of the Management Fund (1) all references to the Housing Insurance Fund or Housing Fund shall be construed to refer to the Management Fund, and (2) all references to section 207 shall be construed to refer to subsections (a)(1), (a)(3) (if the project involved is acquired by a cooperative corporation), (i), and (j) of this section'.

"(c) Section 207(f) of such Act is amended by inserting at the end thereof the following new sentence: 'This subsection shall not be applicable to a mortgage or loan, insured under section 213, the mortgage or loan insurance for which is the obligation of the Cooperative Management Housing Insurance Fund.'

"(d) Section 219 of such Act is amended by striking out 'or the Servicemen's Mortgage

Insurance Fund' and inserting in lieu thereof 'the Servicemen's Mortgage Insurance Fund, or the General Surplus Account of the Cooperative Management Housing Insurance Fund'.

"Mortgage limits under section 220 sales housing mortgage insurance program"

"SEC. 108. Section 220(d)(3)(A)(i) of the National Housing Act is amended—

"(1) by striking out '\$25,000', '\$27,500', '\$30,000', '\$35,000', and '\$35,000' and inserting in lieu thereof '\$30,000', '\$32,500', '\$32,500', '\$37,500', and '\$37,500', respectively; and

"(2) by striking out '90 per centum', '90 per centum', and '75 per centum' and inserting in lieu thereof '92 per centum', '92½ per centum', and '80 per centum', respectively.

"Mortgage limits under section 220 multifamily housing mortgage insurance program"

"SEC. 109. Section 220(d)(3)(B)(i) of the National Housing Act is amended by striking out '\$20,000,000' and inserting in lieu thereof '\$30,000,000'.

"Loans to cover the cost of public improvements"

"SEC. 110. (a) The second sentence of section 220(h)(1) of the National Housing Act is amended to read as follows: 'As used in this subsection—

"(A) the term "home improvement loan" means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made—

"(i) for the purpose of financing the improvement of an existing structure (or in connection with an existing structure) which was constructed not less than ten years prior to the making of such loan, advance of credit, or purchase, and which is used or will be used primarily for residential purposes: *Provided*, That a home improvement loan shall include a loan, advance, or purchase with respect to the improvement of a structure which was constructed less than ten years prior to the making of such loan, advance, or purchase if the proceeds are or will be used primarily for major structural improvements, or to correct defects which were not known at the time of the completion of the structure or which were caused by fire, flood, windstorm, or other casualty; or

"(ii) for the purpose of enabling the borrower to pay that part of the cost of the construction or installation of sidewalks, curbs, gutters, street paving, street lights, sewers, or other public improvements, adjacent to or in the vicinity of property owned by him and used primarily for residential purposes, which is assessed against him or for which he is otherwise legally liable as the owner of such property;

"(B) the term "improvement" means conservation, repair, restoration, rehabilitation, conversion, alteration, enlargement, or remodeling; and

"(C) the term "financial institution" means a lender approved by the Commissioner as eligible for insurance under section 2 or a mortgagee approved under section 203(b)(1)."

"(b) Section 220(h)(2)(i) of such Act is amended by inserting before the semicolon at the end thereof the following: ', and be limited as required by paragraph (1)'. "

"(c) Section 220(h) of such Act is further amended by adding at the end thereof the following new paragraph:

"(11) Notwithstanding any other provision of this Act, no home improvement loan made in whole or in part for the purpose specified in clause (A)(ii) of the second sentence of paragraph (1) shall be insured under this subsection if such loan (or the portion thereof which is attributable to such purpose), when added to the aggregate principal balance of any outstanding loans insured under this subsection or section 203(k) which were made to the same borrower for the pur-

pose so specified (or the portion of such aggregate balance which is attributable to such purpose), would exceed \$10,000."

"Home improvement loans on property held under lease"

"SEC. 111. Section 220(h)(2)(vi) of the National Housing Act is amended by striking out 'a period of not less than fifty years to run from the date of the loan' and inserting in lieu thereof 'an expiration date in excess of five years later than the maturity date of the loan.'

"Private mortgagors under section 221(d)(3)"

"SEC. 112. Section 221(d)(3) of the National Housing Act is further amended by inserting after 'section' in the matter preceding clause (1) the following: ', or a mortgagor approved by the Commissioner which (A) as a condition of obtaining the insurance of a mortgage under this section, and prior to the submission of its application for such insurance, has entered into an agreement, in form and substance satisfactory to the Commissioner, to sell the property or project covered by such mortgage (upon its completion) to a private nonprofit corporation, association, or other mortgagor approved by the Commissioner at the actual cost of the property or project as certified pursuant to section 227, and (B) is regulated or supervised by the Commissioner, under a regulatory agreement or otherwise, as to rents, charges, and methods of operation in such form and in such manner as in the opinion of the Commissioner will effectuate the purposes of this section'.

"Mortgage insurance for servicemen"

"SEC. 113. Section 222(b) of the National Housing Act is amended—

"(1) by striking out '203(b) or 203(i)' in paragraph (1) and inserting in lieu thereof '203(b), 203(i), or 221(d)(2)'; and

"(2) by striking out 'such principal obligation shall not exceed \$9,000' in paragraph (2) and inserting in lieu thereof 'or section 221(d)(2) such principal obligation shall not exceed the maximum limits prescribed for such section'.

"Private financing of sale of FHA-acquired properties"

"SEC. 114. Section 223(c) of the National Housing Act is amended by striking out 'limitation upon eligibility contained in this title II' and inserting in lieu thereof the following: 'limitations or requirements contained in this title upon the eligibility of the mortgage, upon the payment of insurance premiums, or upon the terms and conditions of insurance settlement and the benefits of the insurance to be included in such settlement (except that in any case the payment of insurance shall be in debentures)'.

"Mortgage insurance for nonprofit nursing homes"

"SEC. 115. Section 232(b)(1) of the National Housing Act is amended by inserting after 'proprietary facility' the following: 'or facility of a private nonprofit corporation or association'.

"Experimental housing"

"SEC. 116. (a) Section 233(a) of the National Housing Act is amended by striking out ', in the case of mortgages insured under subsection (b)(2) of this section,'.

"(b) Section 233(b) of such Act is amended to read as follows:

"(b) To be eligible for insurance under this section, a mortgage shall meet the requirements of one of the other sections of this title; except that, in determining the appraised value or the replacement cost of the property in cases involving new construction or the estimated cost of repair and rehabilitation or improvement in cases involving existing properties, the Commissioner's estimate may be based upon an estimate of the cost of replacing the property using comparable conventional design, materials, and con-

struction, and any limitation upon the maximum mortgage amount available to a non-occupant owner shall not, in the discretion of the Commissioner, be applicable to mortgages insured under this section."

"(c) Section 233 of such Act is further amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

"(e) Any mortgagee under a mortgage insured under subsection (b) shall be entitled to insurance benefits determined in the same manner as such benefits would be determined if such mortgage or loan were insured under the section of this title for which it otherwise would have been eligible except for the experimental feature of the property involved."

"(d) Section 233 of such Act is further amended by redesignating subsections (g) and (h) as subsections (f) and (g), respectively, and by striking out 'subsections (e) and (f)' in the first sentence of the subsection so redesignated as subsection (f) and inserting in lieu thereof 'subsection (e)'.

"Mortgage insurance for condominiums"

"SEC. 117. (a) Section 234 of the National Housing Act is amended—

"(1) by striking out the heading and inserting in lieu thereof 'MORTGAGE INSURANCE FOR CONDOMINIUMS';

"(2) by striking out 'structure' each place it appears and inserting in lieu thereof 'project' (and by striking out 'structures' in the last sentence of subsection (c) and inserting in lieu thereof 'projects');"

"(3) by striking out 'the term "mortgage" for the purposes of this section' in subsection (b) and inserting in lieu thereof 'the term "mortgage" for the purposes of subsection (c)';

"(4) (A) by striking out 'this section' each time it appears in subsection (c) and inserting in lieu thereof 'this subsection';

"(B) by striking out 'under another section' in the first sentence of subsection (c) and inserting in lieu thereof 'under any section';

"(5) by striking out 'section 213' each time it appears in subsection (c) and inserting in lieu thereof 'section 213(a)(1) and (2)';

"(6) by striking out the third sentence of subsection (c) and inserting in lieu thereof the following: "To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed \$30,000, and not to exceed the sum of (i) 97 per centum of \$15,000 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of \$15,000 but not in excess of \$20,000, and (iii) 80 per centum of such value in excess of \$20,000, and (B) have a maturity satisfactory to the Commissioner, but not to exceed, in any event, thirty-five years from the date of the beginning of amortization of the mortgage or three-fourths of the Commissioner's estimate of the remaining economic life of the project, whichever is the lesser;"

"(7) by redesignating subsection (d) as subsection (g), by redesignating subsections (e) and (f) as subsections (i) and (j), respectively, and by inserting after subsection (c) the following new subsections:

"(d) In addition to individual mortgages insured under subsection (c), the Commissioner is authorized, in his discretion and under such terms and conditions as he may prescribe, to insure blanket mortgages (including advances on such mortgages during construction) which cover multifamily projects to be constructed or rehabilitated in cases where the mortgage is held by a mortgagor, approved by the Commissioner, which—

"(1) has certified to the Commissioner, as a condition of obtaining the insurance of a blanket mortgage under this subsection, that upon completion of the multifamily project covered by such mortgage it intends to commit the ownership of the multifamily project to a plan of family unit ownership under which each family unit would be eligible for individual mortgage insurance under subsection (c) and will faithfully and diligently make and carry out all reasonable efforts to establish such plan of family unit ownership and to sell such family units to purchasers approved by the Commissioner; and

"(2) shall be regulated or restricted by the Commissioner as to rents, charges, capital structure, rate of return, and methods of operation until the termination of all obligations of the Commissioner under the insurance and during such further period of time as the Commissioner shall be the owner, holder, or reinsurer of the mortgage. The Commissioner may make such contracts with and acquire for not to exceed \$100 such stock or interest in such mortgagor as he may deem necessary to render effective the regulation and restriction of such mortgagor. The stock or interest acquired by the Commissioner shall be paid for out of the Apartment Unit Insurance Fund, and shall be redeemed by the mortgagor at par at any time upon the request of the Commissioner after the termination of all obligations of the Commissioner under the insurance.

"(e) To be eligible for insurance, a blanket mortgage on any multifamily project of a mortgagor of the character described in subsection (d) shall involve a principal obligation in an amount—

"(1) not to exceed \$20,000,000, or not to exceed \$25,000,000 if the mortgage is executed by a mortgagor regulated or supervised, under Federal or State law or by a political subdivision of a State or an agency thereof, as to rents, charges, and methods of operation;

"(2) not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the project when the proposed physical improvements are completed;

"(3) not to exceed, for such part of the project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require; and

"(4) not to exceed an amount equal to the sum of the unit mortgage amounts determined under the provisions of subsection (c) assuming the mortgagor to be the owner and occupant of each family unit.

"(f) Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such term as the Commissioner may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and

shall bear interest (exclusive of premium charges for insurance) at not to exceed $5\frac{1}{4}$ per centum per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the blanket mortgage upon such terms and conditions as he may prescribe and the blanket mortgage may provide for such release. The project covered by the blanket mortgage may include five or more family units and such commercial and community facilities as the Commissioner deems adequate to serve the occupants;";

"(8) by striking out 'this section' each time it appears in the subsection redesignated as subsection (g) by paragraph (7) of this subsection and inserting in lieu thereof 'subsection (c) of this section';

"(9) by inserting after the subsection redesignated as subsection (g) by paragraph (7) of this subsection the following new subsection:

"(h) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall be applicable to mortgages insured under subsection (d) of this section, except that all references to the Housing Insurance Fund, or Housing Fund, shall be construed to refer to the Apartment Unit Insurance Fund; and

"(10) by amending the subsection redesignated as subsection (j) by paragraph (7) of this subsection to read as follows:

"(j) The provisions of sections 225 and 230 shall be applicable to the mortgages insured under subsection (c) of this section."

"(b) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: 'The provisions of this section shall also apply to the insurance of any mortgage under section 234(d).'

"(c) Section 227(a) of such Act is amended by striking out 'or (vii)' and inserting in lieu thereof '(vii)', and by inserting before the semicolon at the end thereof ', or (viii) under section 234(d)'.

"Prepayment of mortgages by nonprofit educational institutions"

"SEC. 118. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"Prepayment of mortgages by nonprofit educational institutions"

"SEC. 517. (a) Notwithstanding any other provision of this Act, no adjusted premium charge shall be collected in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor certifies to the Commissioner that the loan was paid in full by or on behalf of a nonprofit educational institution which intends to use the property for educational purposes.

"(b) The Commissioner shall refund any adjusted premium charge collected subsequent to July 1, 1962, and prior to the date of the enactment of the Housing Act of 1964, in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor under such mortgage makes the certification prescribed by subsection (a)."

"Increase in number of units insurable under section 810 program"

"SEC. 119. Section 810(1) of the National Housing Act is amended by striking out 'five thousand dwelling units' and inserting in lieu thereof 'ten thousand dwelling units'.

"TITLE II—HOUSING FOR THE ELDERLY AND HANDICAPPED"

"Housing for the elderly—Loan program"

"SEC. 201. Section 202(a)(4) of the Housing Act of 1959 is amended by striking out '\$275,000,000' and inserting in lieu thereof '\$350,000,000'.

"FHA section 221 housing for low- or moderate-income elderly persons"

"SEC. 202. Section 221(f) of the National Housing Act is amended by adding at the end thereof the following new sentence: 'Any person sixty-two years of age or over shall be deemed to be a family within the meaning of the terms "family" and "families" as those terms are used in this section.'

"Housing for the handicapped"

"SEC. 203. (a) (1) The heading of title II of the Housing Act of 1959 is amended by striking out 'HOUSING FOR THE ELDERLY' and inserting in lieu thereof 'HOUSING FOR THE ELDERLY OR HANDICAPPED'.

"(2) Section 202 of such Act is amended—

"(A) by striking out 'elderly families and elderly persons' wherever it appears in subsections (a)(1), (a)(2), and (e) and inserting in lieu thereof in each instance 'elderly or handicapped families';

"(B) by amending subsection (d)(1) to read as follows:

"(1) The term "housing" means structures suitable for dwelling use by elderly or handicapped families which are (A) new structures, or (B) provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families;";

"(C) by striking out the first sentence of subsection (d)(4) and inserting in lieu thereof the following: "The term "elderly or handicapped families" means families which consist of two or more persons and the head of which (or his spouse) is sixty-two years of age or over or is handicapped, and such term also means a single person who is sixty-two years of age or over or is handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Administrator, to have a physical impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions;";

"(D) by inserting before the period at the end of subsection (d)(7) the following: 'or rehabilitation, alteration, conversion, or improvement of existing structures'; and

"(E) by amending subsection (d)(8) to read as follows:

"(8) The term "related facilities" means (A) new structures suitable for use by elderly or handicapped families as cafeterias or dining halls, community rooms or buildings, workshops, or infirmaries or other inpatient or outpatient health facilities, or other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses."

"(b) The last sentence of section 221(f) of the National Housing Act (as added by section 202 of this Act) is amended by striking out 'person sixty-two years of age or over' and inserting in lieu thereof 'person who is sixty-two years of age or over, or who is a handicapped person within the meaning of section 202 of the Housing Act of 1959,'.

"(c) Section 231 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any of the provisions of this section, the housing provided under this section may include family units which are specially designed for the use and occupancy of any person or family qualifying as a handicapped family as defined in section 202 of the Housing Act of 1959, and such special facilities as the Commissioner deems adequate to serve handicapped families (as so defined). The Commissioner may

also prescribe procedures to secure to such families preference or priority of opportunity to rent the living units specially designed for their use and occupancy."

"(d) The second sentence of section 2(2) of the United States Housing Act of 1937 (as amended by section 401(a) of this Act) is amended by inserting after 'and includes' the following: 'a single person who is handicapped within the meaning of section 202 of the Housing Act of 1959 or who is'."

"(e) Section 207 of the Housing Act of 1961 (as amended by section 407 of this Act) is further amended by inserting before the period at the end of the first sentence the following: 'and of demonstrating the types of housing and the means of providing housing that will assist low income persons or families who qualify as handicapped families as defined in section 202 of the Housing Act of 1959'."

"TITLE III—URBAN RENEWAL

"Capital grant authorization

"SEC. 301. Section 103(b) of the Housing Act of 1949 is amended by striking out 'not to exceed \$4,000,000,000' and inserting in lieu thereof 'not to exceed \$4,600,000,000'."

"Code enforcement

"SEC. 302. (a) The first sentence of section 110(c) of the Housing Act of 1949 is amended by inserting after 'or rehabilitation or conservation in an urban renewal area,' the following: 'or a program of code enforcement in an urban renewal area,'."

"(b) (1) Paragraph (5) of the second sentence of section 110(c) of such Act is amended (1) by striking out 'a program of' and inserting in lieu thereof 'programs of code enforcement or', and (2) by adding before the semicolon at the end of such paragraph the following: ': *Provided*, That no program of code enforcement shall be included as part of an urban renewal project unless the locality shall agree to increase its total expenditures with respect to code enforcement, during the period such project is under contract for a loan or capital grant, by an amount equal to the required local grants-in-aid with respect to the code enforcement included as part of such project'."

"(2) Any contract for a capital grant under title I of the Housing Act of 1949 executed prior to the date of the enactment of this Act may be amended to incorporate the provisions of paragraph (1) for costs incurred on or after such date."

"(c) Section 101(c) of such Act is amended by adding at the end thereof the following new sentence: 'Commencing three years from the date of the enactment of the Housing Act of 1964, no workable program will be certified or recertified unless the locality has had in effect for at least six months prior to such certification or recertification a minimum standards housing code, related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate by the Administrator; and unless the Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with such housing code.'"

"Relocation of displacees from urban renewal areas

"SEC. 303. (a) (1) Section 105(c) of the Housing Act of 1949 is amended by striking out 'families' wherever it appears and inserting in lieu thereof 'individuals and families'."

"(2) The requirement imposed by the amendments made by paragraph (1) shall not be applicable to any project receiving Federal recognition prior to the date of the enactment of this Act."

"(b) Section 105(c) of such Act is further amended by inserting before the period at the end thereof the following: '*Provided*, That the Administrator shall issue rules and regulations to aid in implementing the requirements of this subsection and in other-

wise achieving the objectives of this title which shall require that there be established, at the earliest practicable time, for each urban renewal project involving the displacement of families, individuals, or business concerns occupying property in an urban renewal area, a relocation assistance program which shall include such measures, facilities, and services as may be necessary or appropriate in order (1) to determine the needs of such families, individuals, and business concerns for relocation assistance, (2) to provide information and assistance to aid in relocation and otherwise minimize the hardships of displacement, and (3) to assure the necessary coordination of relocation activities with other project activities and other planned or proposed governmental actions in the community which may affect the carrying out of the relocation program'."

"(c) Section 114(e) of such Act (as added by section 306 of this Act and redesignated by section 317 of this Act) is amended by adding at the end thereof the following new sentence: 'Such regulations shall include provisions to assure that relocation payments, as authorized by this section, shall be made as promptly as possible to all families, individuals, business concerns, and nonprofit organizations found to be eligible for such payments by reason of their having been displaced from property in the urban renewal area, without regard to any subsequent proceedings, determinations, or events relating to such property which do not bear upon whether such displacement in fact occurred.'"

"(d) Section 8(b) of the Small Business Act is amended—

"(1) by striking out 'and' at the end of paragraph (12);

"(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof '; and '; and

"(3) by adding after paragraph (13) the following new paragraph:

"(14) to provide at the earliest practicable time such information and assistance as may be appropriate, including information concerning eligibility for loans under section 7(b)(3), to local public agencies (as defined in section 110(h) of the Housing Act of 1949) and to small-business concerns to be displaced by federally aided urban renewal projects in order to assist such small-business concerns in reestablishing their operations.'"

"Disposal of land for low- and moderate-income housing

"SEC. 304. Subsections (a) and (b) of section 107 of the Housing Act of 1949 are amended to read as follows:

"(a) Upon approval of the Administrator and subject to such conditions as he may determine to be in the public interest, any real property held as part of an urban renewal project may be made available to (1) a limited dividend corporation, nonprofit corporation or association, cooperative, or public body or agency, or (2) a purchaser who would be eligible for a mortgage insured under section 221(d)(4) of the National Housing Act, for purchase at fair value for use by such purchaser in the provision of new or rehabilitated rental or cooperative housing for occupancy by families or individuals of moderate income."

"(b) When it appears in the public interest that real property acquired as part of an urban renewal project should be used in whole or in part for a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act, the property shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to its fair value, as determined in accordance with sub-

section (a), and such amount shall be included as part of the development cost of such low-rent housing project: *Provided*, That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act, or by analogous provisions in legislation authorizing such State or local program, with respect to the low-rent housing project into which such property was incorporated on or after September 23, 1959, shall (if covered by a contract which, in the determination of the Public Housing Commissioner, will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act, or by provisions found by the Administrator to give equivalent assurance in the case of State or local programs) be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such property (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act."

"Rehabilitation of property in urban renewal areas

"SEC. 305. Section 110(c) of the Housing Act of 1949 is amended by adding immediately after and below paragraph (7) the following new paragraph:

"Notwithstanding any other provision of this title, no contract shall be entered into for any loan or capital grant under this title for any project which provides for demolition and removal of buildings and improvements unless the Administrator determines that the objectives of the urban renewal plan could not be achieved through rehabilitation of the project area."

"Relocation payments to displaced persons and businesses

"SEC. 306. (a) Title I of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"Relocation

"SEC. 114. (a) Notwithstanding any other provision of this title, an urban renewal project may include the making of payments as prescribed in this section to displaced individuals, families, business concerns, and nonprofit organizations; and any contract for financial assistance under this title shall provide that the capital grant otherwise payable for the project shall be increased by an amount equal to such payments and that no part of the amount of such payments shall be required to be contributed as part of the local grant-in-aid. As used in this section, "displaced" refers to displacement from an urban renewal area made necessary by (1) the acquisition of real property by a local public agency or by any other public body, (2) code enforcement activities undertaken in connection with an urban renewal project, or (3) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan."

"(b) A local public agency may pay to any displaced business concern or nonprofit organization—

"(1) its reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): *Provided*, That such payment shall not exceed \$3,000 (or, if greater, the total certified actual moving expenses); and

"(2) an additional \$1,000 in the case of a private business concern with average annual

net earnings of less than \$10,000 per year which (A) was doing business in a location in the urban renewal area on the date of local approval of the urban renewal plan (or of acquisition of the real property under the third sentence of section 102(a)), (B) is displaced on or after January 27, 1964, and (C) is not part of an enterprise having establishments outside the urban renewal area.

"(c) (1) A local public agency may pay to any displaced individual or family his or its reasonable and necessary moving expenses and any actual direct losses of property (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): *Provided*, That such payment shall not exceed \$200: *And provided further*, That the Administrator may authorize payment to individuals and families of fixed amounts (not to exceed \$200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

"(2) A local public agency may pay (in addition to any amount under paragraph (1)), to or on behalf of any displaced individual or family, the monthly rental (or mortgage payment) required for the dwelling accommodations in which such individual or family is relocated during the first three months (after displacement) for which such rental (or payment) is due; except that no amount in excess of \$200 shall be paid under this paragraph to or on behalf of any displaced individual or family, and payments under this paragraph shall be available only in the case of individuals and families displaced on or after January 27, 1964.

"(d) The Administrator is authorized to establish such rules and regulations as he may deem appropriate in carrying out the provisions of this section."

"(b) Any contract with a local public agency which was executed under title I of the Housing Act of 1949 before the date of the enactment of this Act may be amended to provide for payments authorized by section 114 of the Housing Act of 1949.

"(c) Section 106 of the Housing Act of 1949 is amended by striking out subsection (f).

"Incentives for local realty tax abatement for section 221(d) (3) projects"

"Sec. 307. Section 110(d) of the Housing Act of 1949 is amended by striking out 'and (3)' and inserting in lieu thereof the following: '(3) the amount of any abatement of realty taxes granted by appropriate authority in reduction of realty taxes, which would, except for such abatement, be payable by a project the mortgage on which is insured under section 221 of the National Housing Act and bears an interest rate fixed pursuant to the proviso in section 221(d) (5) of such Act; and (4)'."

"Rehabilitation loans"

"Sec. 308. (a) To assist rehabilitation in an urban renewal area and thereby reduce the need for demolition and removal of structures, the Housing and Home Finance Administrator is hereby authorized, through the utilization of local public and private agencies where feasible, to make loans as herein provided to the owners or tenants of property in such area to finance rehabilitation required to make the property conform to applicable code requirements or to carry out the objectives of the urban renewal plan for the area. No loan shall be made under this section unless the Administrator finds (1) that the applicant is unable to secure the necessary funds from other sources upon reasonable terms and conditions, and (2) the loan is an acceptable risk taking into consideration the need for the rehabilitation, the security available for the loan, and the ability of the applicant to repay the loan.

"(b) For the purposes of this section—

"(1) the term 'rehabilitation' means the improvement or repair of a structure or facilities in connection with a structure, and may include the provision of such sanitary or other facilities as are required by applicable codes or the urban renewal plan to be provided by the owner or tenant of the property;

"(2) the term 'urban renewal area' means a slum area or a blighted, deteriorated, or deteriorating area as defined in section 110 (a) of the Housing Act of 1949;

"(3) the term 'tenant' means a person or organization who is occupying a structure under a lease having a period to run at the time a rehabilitation loan is made under this section of not less than the term of the loan; and

"(4) the term 'Administrator' means the Housing and Home Finance Administrator.

"(c) A rehabilitation loan made under this section shall be subject to the following limitations:

"(1) The loan shall be subject to such terms and conditions as may be prescribed by the Administrator.

"(2) The term of the loan may not exceed fifteen years or three-fourths of the remaining economic life of the structure after rehabilitation, whichever is less.

"(3) The loan shall bear interest at such rate as the Administrator determines to be appropriate but not to exceed 3 per centum per annum of the amount of the principal outstanding at any time, and the Administrator may prescribe such other charges as he finds necessary, including service charges and appraisal, inspection, and other fees.

"(4) The amount of the loan may not exceed—

"(A) in the case of residential property, the amount of a loan which could be insured by the Federal Housing Commissioner under section 220(h) of the National Housing Act; and

"(B) in the case of nonresidential property, \$50,000, or the cost of rehabilitation, or an amount which when added to any outstanding indebtedness related to the property securing the loan creates a total outstanding indebtedness that exceeds the amount of a loan which the Administrator determines could be reasonably secured by a first mortgage on the property.

"(5) A loan shall be secured as determined by the Administrator.

"(d) There is authorized to be appropriated not to exceed \$50,000,000 which shall constitute a revolving fund to be used by the Administrator in carrying out this section.

"(e) In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Administrator shall have (in addition to any authority otherwise vested in him) the functions, powers, and duties set forth in section 402 of the Housing Act of 1950 (except subsection (c) (2)).

"(f) The Administrator is authorized to delegate to or use as his agent any local public or private agency or organization to the extent he determines appropriate and desirable to carry out the objectives of this section in the area involved.

"(g) The Administrator is authority to issue such rules and regulations and impose such requirements and conditions (in addition to those specified in this section) as he determines to be desirable to carry out the objectives of this section, including limitations on the amount of a loan and restrictions on the use of the property involved.

"Self-help programs for community improvement"

"Sec. 309. Section 101(d) of the Housing Act of 1949 is amended by inserting immediately after "local urban renewal pro-

grams" the following: "(including rehabilitation projects requiring no additional assistance under this title or self-liquidating redevelopment projects)".

"Urban renewal demonstration program"

"Sec. 310. Section 314 of the Housing Act of 1954 is amended—

"(1) by inserting '(a)' after '314.' at the beginning of the section;

"(2) by inserting before the period at the end of the second sentence the following: ', but such a grant may in addition cover the full cost of writing and publishing the reports on such activities and undertakings';

"(3) by inserting 'activities and' before 'undertakings' in the third sentence;

"(4) by striking out the fourth and fifth sentences; and

"(5) by adding at the end thereof the following new subsections:

"(b) The Administrator is further authorized to pay for the cost of (1) writing and publishing reports on activities and undertakings financed by grants made under this section, as well as reports on similar activities and undertakings, not so financed, which are of significant value in furthering the purposes of this section, and (2) writing and publishing summaries and other informational material on such reports.

"(c) The aggregate amount of grants made under subsection (a), and other costs incurred pursuant to subsection (b), shall not exceed \$10,000,000 and shall be payable from the grant funds provided under and authorized by section 103(b) of the Housing Act of 1949. The Administrator may make advance or progress payments on account of any contract entered into pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended."

"Urban and regional planning grants"

"Sec. 311. (a) Section 701(a) of the Housing Act of 1954 is amended by striking out 'resulting from rapid urbanization' in clause (B) of paragraph (1).

"(b) Section 701(a) of such Act is amended—

"(1) by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and

"(2) by adding after paragraph (5) the following new paragraph:

"(6) metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1); and."

"Planning grant authorization"

"Sec. 312. Section 701(b) of the Housing Act of 1954 is amended by striking out '\$75,000,000' in the last sentence and inserting in lieu thereof '\$105,000,000.'

"Planning grants for Indian reservations"

"Sec. 313. (a) Section 701(a) of the Housing Act of 1954 is amended—

"(1) by striking out 'and' at the end of clause (B) of paragraph (1);

"(2) by inserting ', and (D) Indian reservations' before the semicolon at the end of paragraph (1); and

"(3) by adding after paragraph (6) (as added by section 311(b) of this Act) the following new paragraph:

"(7) tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning for an Indian reservation to which no State planning agency or other agency or instrumentality is empowered to provide planning assistance under clause (D) of paragraph (1)."

"(b) Section 701(d) of such Act is amended—

"(1) by striking out 'and urban regions' in the first sentence and inserting in lieu thereof 'urban regions, and Indian reservations'; and

"(2) by inserting the following after 'in-strumentalities' in the second sentence: ', and Indian tribal bodies,'.

"Eligibility of counties for planning assistance"

"Sec. 314. Section 701(a) of the Housing Act of 1954 is amended by striking out clause (A) of paragraph (1) and inserting in lieu thereof the following: '(A) cities and other municipalities having a population of less than 50,000 according to the latest decennial census, and counties without regard to population: *Provided*, That grants shall be made under this paragraph for planning assistance to counties having a population of 50,000 or more, according to the latest decennial census, which are within metropolitan areas, only if (i) the Administrator finds that planning and plans for such county will be coordinated with the program of comprehensive planning, if any, which is being carried out for the metropolitan area of which the county is a part, and (ii) the aggregate amount of the grants made subject to this proviso does not exceed 15 per centum of the aggregate amount appropriated, after the date of enactment of the Housing Act of 1964, for the purposes of this section,'.

"Planning problems resulting from treaties or other international agreements"

"Sec. 315. Section 701(a) (4) of the Housing Act of 1954 is amended to read as follows:

"(4) official governmental planning agencies for areas where (A) urban planning problems have resulted or are expected to result from the implementation of a Federal treaty or other international agreement or understanding, or (B) rapid urbanization has resulted or is expected to result from the establishment or rapid and substantial expansion of a Federal installation;".

"Small Business Administration loans"

"Sec. 316. Section 7(b) (3) of the Small Business Act is amended by inserting before the period at the end thereof the following: ', and the purposes of a loan made pursuant to this paragraph may, in the discretion of the Administration, include the purchase or construction of other premises whether or not the borrower owned the premises from which it was displaced'.

"Relocation payments in cases of property affected by coal mine subsidence or underground mine fires"

"Sec. 317. (a) Section 114 of the Housing Act of 1949 (as added by section 306 of this Act) is amended by redesignating subsection (d) as subsection (e), and by inserting after subsection (c) the following new subsection: "(d) In any case in which property owned by an individual, family, business concern, or nonprofit organization has been rendered partially or wholly unusable on account of the subsidence or collapse of underlying coal mines, or because of an underground mine fire or fires, relocation payments under this section may include (in addition to any amounts payable under subsection (b) or (c)) an amount equal to the difference between (1) the actual market value which such property would have if the diminution in its value occasioned by such subsidence or collapse or fire were ignored, and (2) the price paid for the acquisition of such property by the local public agency."

"(b) The first sentence of section 114(a) of such Act (as so added) is amended by striking out 'organizations' and all that follows and inserting in lieu thereof the following: 'organizations. Any contract for financial assistance under this title shall provide that no part of the amount of such payments

(except such payments made pursuant to subsection (d)) shall be required to be contributed as a local grant-in-aid, and that the capital grant otherwise payable for the project shall be increased by an amount equal to (1) any of such payments made pursuant to subsection (b) or (c), plus (2) any of such payments made pursuant to subsection (d), reduced by the amount of the local grants-in-aid applicable to such payments."

"(c) Any contract with a local public agency which was executed under title I of the Housing Act of 1949 before the date of the enactment of this Act may be amended to provide for payments authorized by the amendments made by this section so long as the project involved has not yet been completed on such date."

"(d) Section 15(8) of the United States Housing Act of 1937 (as added by section 406 of this Act) is amended by striking out 'section 114 (b) or (c)' and inserting in lieu thereof 'section 114 (b), (c), or (d)'."

"TITLE IV—HOUSING FOR LOW-INCOME FAMILIES"

"Eligibility of displaced individuals for low-rent public housing"

"Sec. 401. (a) Section 2(2) of the United States Housing Act of 1937 is amended to read as follows:

"(2) The term 'families of low income' means families (including elderly and displaced families) who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term 'families' includes families consisting of a single person in the case of elderly families and displaced families, and includes the remaining member of a tenant family. The term 'elderly families' means families whose heads (or their spouses), or whose sole members, have attained the age at which an individual may elect to receive an old-age insurance benefit under title II of the Social Security Act or are under a disability as defined in section 223 of that Act. The term 'displaced families' means families displaced by urban renewal or other governmental action."

"(b) Section 10(g) (2) of such Act is amended by striking out 'those displaced by urban renewal or other governmental action' and inserting in lieu thereof 'displaced families'."

"(c) Section 15(7) (b) of such Act is amended by striking out 'family displaced by urban renewal or other governmental action' in clause (ii) and inserting in lieu thereof 'displaced family'."

"Additional subsidy for urban renewal and low-rent housing displacees"

"Sec. 402. Section 10(a) of the United States Housing Act of 1937 is amended by inserting before the period at the end of the third sentence the following: ': *Provided further*, That such an additional payment may also be made, on the same terms and conditions and subject to the same limitations, with respect to a unit occupied on the last day of the project fiscal year by a displaced family if such family was displaced by an urban renewal or low-rent housing project on or after January 27, 1964, and if and to the extent that the rental of such unit was less than the rental which, in the determination of the Authority based on average or estimated project rentals, would have been established in leasing the unit to another family which was neither an elderly family nor similarly displaced'."

"Increase in authorization for annual contributions"

"Sec. 403. Section 10(e) of the United States Housing Act of 1937 is amended by inserting immediately after 'per annum,' the following: 'which limit shall be increased by

\$27,000,000 on the date of the enactment of the Housing Act of 1964,'."

"Payments in lieu of taxes by local housing authorities; local contributions"

"SEC. 404. Section 10(h) of the United States Housing Act of 1937 is amended by striking out all that follows the first colon and inserting in lieu thereof the following: '*Provided*, That, with respect to any such project which is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, such contract shall provide, in lieu of the requirement for tax exemption and payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivisions in which such project is situated shall contribute, in the form of cash or tax remission, the amount by which the taxes paid with respect to the project exceed 10 per centum of the annual shelter rents charged in such project: *Provided further*, That, prior to execution of the contract for annual contributions the public housing agency shall, in the case of a tax-exempt project, notify the governing body of the locality of its estimate of the annual amount of such payments in lieu of taxes and of the amount of taxes which would be levied if the property were privately owned, or, in the case where the project is taxed, its estimate of the annual amount of the local cash contribution, and shall thereafter include the actual amounts of such payments or contributions in its annual report. Contracts for annual contributions entered into prior to the effective date of the Housing Act of 1964 may be amended in accordance with the first sentence of this subsection.'"

"Relocation of families and individuals displaced from project sites"

"SEC. 405. (a) Section 15(7) (b) of the United States Housing Act of 1937 is amended by striking out 'and' before '(ii)', and by inserting before the period at the end thereof the following: ', and (iii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a feasible method for the temporary relocation of the displaced families from the project site, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of such displaced families, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment.'"

"(b) The amendments made by subsection (a) shall not be applicable to any project for which an application for preliminary loan has been approved by the local governing body prior to the date of the enactment of this Act."

"Relocation payments"

"SEC. 406. Section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(8) The Authority may authorize the cost of relocation payments made by public housing agencies to be included with the development or acquisition cost of any project for purposes of determining the amount of loans and annual contributions authorized to be made with respect to such project under sections 9 and 10, but such costs shall be separately stated as relocation costs and shall be excluded from any amounts on which the computation of annual contributions is based for purposes of determining the amount of local contributions required with respect to such project under section 10(h). For purposes of this paragraph, a 'relocation payment' is a payment (i) which is made to an individual, family, business con-

cern, or nonprofit organization displaced on or after January 27, 1964, from a low-rent housing project site as a result of the acquisition of real property by a public housing agency, (ii) which is not otherwise authorized under any Federal law, and (iii) which is made only on such terms and conditions, and subject to such limitations, as are authorized (as of the time such payment is approved) under section 114 (b) or (c) of the Housing Act of 1949 for relocation payments made to individuals, families, business concerns, or nonprofit organizations, as the case may be.

"Low-income housing demonstration program authorization"

"SEC. 407. Section 207 of the Housing Act of 1961 is amended by striking out '\$5,000,000' and inserting in lieu thereof '\$10,000,000'.

"TITLE V—RURAL HOUSING"

"Extension of senior citizens rental housing insurance program"

"SEC. 501. Section 515(b) (5) of the Housing Act of 1949 is amended by striking out 'September 30, 1964' and inserting in lieu thereof 'September 30, 1965'.

"Rural housing direct loan program"

"SEC. 502. (a) Section 511 of the Housing Act of 1949 is amended by striking out '\$700,000,000' and inserting in lieu thereof '\$850,000,000'.

"(b) Section 502(a) of such Act is amended by inserting after 'a loan may be made by the Secretary to said applicant' the following: ', in a principal amount not exceeding \$15,000,'.

"Definition of domestic farm labor"

"SEC. 503. Section 514(f) (3) of the Housing Act of 1949 is amended to read as follows:

"(3) The term 'domestic farm labor' means persons who receive a substantial portion (as determined by the Secretary) of their incomes as laborers on farms situated in the United States and either (A) are citizens of the United States or (B) reside in the United States after being legally admitted for permanent residence therein."

"TITLE VI—FEDERAL-STATE TRAINING PROGRAMS"

"Findings and purpose"

"SEC. 601. (a) The Congress finds that the rapid expansion of the Nation's urban areas and urban population has caused severe problems in urban and suburban development and created a national need to (1) provide special training in skills needed for economic and efficient community development and (2) support research in new or improved methods of dealing with community development problems.

"(b) It is the purpose of this title to assist and encourage the States, in cooperation with public or private universities and colleges and urban centers, to (1) organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are likely to be, employed by a governmental or public body which has responsibilities for community development; and (2) support State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems.

"Matching grants to States"

"SEC. 602. (a) Subject to the provisions of this title and in accordance with regulations prescribed by him, the Administrator may make matching grants to States to assist in—

"(1) organizing, initiating, developing, or expanding programs to provide special training in skills needed for economic and efficient community development to those technical

and professional people who are, or are likely to be, employed by a governmental or public body which has responsibilities for community development; and

"(2) supporting State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems, and collecting, collating, and publishing statistics and information relating to such research.

"(b) No grants may be made to a State under this title unless the Administrator has approved a plan for the State which—

"(1) sets forth the proposed use of the funds and the objectives to be accomplished;

"(2) explains the method by which the required amounts from non-Federal sources will be obtained;

"(3) provides such fiscal control and fund accounting procedures as may be reasonably necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this title;

"(4) designates an officer or agency of the State government who has responsibility and authority for the administration of a statewide research and training program as the officer or agency with responsibility and authority for the execution of the State program under this title; and

"(5) provides that such officer or agency will make such reports to the Administrator, in such form, and containing such information, as may be reasonably necessary to enable the Administrator to perform his duties under this title.

"(c) No grant may be made under this title for any use unless an amount at least equal to such grant is made available from non-Federal sources for the same purpose and for concurrent use.

"(d) There is authorized to be appropriated for grants under this title, without fiscal year limitation, not to exceed \$10,000,000.

"State limit"

"SEC. 603. Not more than 10 per centum of the total amount authorized to be appropriated by section 602(d) may be used for making grants to any one State.

"Technical assistance, studies, and publication of information"

"SEC. 604. In order to carry out the purpose of this title, the Administrator is authorized to provide technical assistance to State and local governmental or public bodies and to undertake such studies and publish and distribute such information, either directly or by contract, as he shall determine to be desirable. Nothing contained in this title shall limit any authority of the Administrator under any other provision of law.

"Miscellaneous"

"SEC. 605. (a) As used in this title, the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands; and the term 'Administrator' means the Housing and Home Finance Administrator.

"(b) There are authorized to be appropriated such sums as may be necessary for administrative and other expenses in carrying out this title.

"TITLE VII—COMMUNITY FACILITIES"

"Public facility loans"

"SEC. 701. (a) Section 202(a) of the Housing Amendments of 1955 is amended by striking out 'instrumentalities of States' in clause (1) of the first sentence and inserting in lieu thereof 'instrumentalities of one or more States', and by striking out 'in the same State' in such clause and inserting in lieu thereof 'of one or more States'.

"(b) Section 202(b) (4) of such Amendments is amended by inserting '(A)' before 'to any municipality' in the first sentence,

and by striking out everything in such sentence after 'most recent decennial census, or' and inserting in lieu thereof the following: '(B) to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States, unless each municipality, political subdivision, and unincorporated area to be served by the specific public work or facility for which assistance is sought under this section has a population less than the applicable figure under clause (A) according to such census.'

"Advances for public works planning"

"SEC. 702. (a) Section 702(e) of the Housing Act of 1954 is amended to read as follows:

"(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances (and claims in connection with advances) outstanding as of such date, under title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-2). There are authorized to be appropriated to such revolving fund, in addition to amounts authorized to be appropriated for the purposes of this section prior to the date of the enactment of the Housing Act of 1964, such sums, not to exceed \$20,000,000, as may be necessary to carry out the purposes of this section."

"(b) Section 702 of such Act is further amended by adding at the end thereof the following new subsection:

"(h) (1) Notwithstanding any other provision of law, if a public agency or Indian tribe undertakes to construct only a portion of a public work planned with an advance under this section, under title V of the War Mobilization and Reconversion Act of 1944, or under the Act of October 13, 1949, it shall repay only such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable.

"(2) The Administrator is authorized to terminate, upon such terms and conditions as he shall deem equitable, all of a portion of the liability for repayment of any advance made under this section, title V of the War Mobilization and Reconversion Act of 1944, or the Act of October 13, 1949. Whenever the Administrator determines that there is no reasonable likelihood that the public work, or a portion of the public work, planned with such advance will be constructed, he may terminate the agreement for the advance. Such determination shall be conclusive and shall be based on standards prescribed by regulations to be issued by the Administrator."

"(c) Section 702 of such Act is further amended—

"(1) by striking out 'public agencies' wherever that term appears in subsection (a) and inserting in lieu thereof 'public agencies and Indian tribes';

"(2) by striking out 'public agency' in clause (3) of subsection (b) and inserting in lieu thereof 'public agency or Indian tribe';

"(3) by striking out 'to any public agency' and 'by the public agency' in subsection (c) and inserting in lieu thereof 'to any public agency or Indian tribe' and 'by the public agency or Indian tribe', respectively, and by striking out 'by such agency' in such subsection and inserting in lieu thereof 'by such agency or tribe'; and

"(4) by striking out 'That if' and all that follows down through 'And provided further,' in subsection (c).

"(d) Section 702(f) of such Act is amended by striking out '\$50,000' and inserting in lieu thereof '\$100,000'.

"(e) Section 702(a) of such Act is amended by inserting immediately before the first colon the following: ', including, in the case of public works to be constructed in connection with the development of a medical center, a general plan for the development of such center'.

"(f) Section 702(b) of such Act is amended by striking out the last sentence.

"TITLE VIII—SAVINGS AND LOAN ASSOCIATIONS

"SEC. 801. (a) The first sentence of section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out 'fifty miles' and inserting in lieu thereof 'one hundred miles'.

"(b) The third sentence of section 403(b) of the National Housing Act is amended by striking out all that precedes the first semicolon and inserting in lieu thereof the following: 'Each applicant for such insurance shall also file with its application an agreement that during the period that the insurance is in force it will not make any loans beyond one hundred miles from its principal office, except (1) loans in the area beyond such one-hundred-mile limit in which it was operating prior to June 27, 1934, and (2) loans which are made pursuant to regulations of the Corporation: *Provided*, That such agreement shall further provide that any loan made beyond fifty miles from the applicant's principal office (and outside the territory in which it was operating on such date) shall also be subject to such regulations'.

"SEC. 802. The first proviso in section 5(c) of the Home Owners' Loan Act of 1933 is amended—

"(1) by striking out '\$35,000' and inserting in lieu thereof '\$40,000'; and

"(2) by striking out ', except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association.'

"SEC. 803. The next to last paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows:

"Without regard to any other provision of this subsection, any such association is authorized to invest not more than 5 per centum of its assets in, or in interests in, real property located within urban renewal areas as defined in subsection (a) of section 110 of the Housing Act of 1949 and obligations secured by first liens on real property so located, but no investment shall be made by an association under this sentence in real property or any interest therein if the aggregate investment of the association under this sentence in real property and interests therein, determined as prescribed by the Board, would thereupon exceed 2 per centum of the assets of the association.'

"SEC. 804. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof a new paragraph as follows:

"For the purpose of this section the terms 'real property' and 'real estate' shall include a leasehold or subleasehold estate in real property under a lease or sublease the term of which does not expire, or which is renewable automatically or at the option of the holder (or at the option of the association) so as not to expire, for at least fifteen years beyond the maturity of the debt, or for such shorter period as the Board, by regulation, may prescribe.'

"SEC. 805. Section 5(c) of the Home Owners' Loan Act of 1933 is further amended by adding at the end thereof (after the paragraph added by section 804 of this Act) the following new paragraph:

"6 Any such association is authorized to invest in the capital stock, obligations, or other securities of any corporation organized under the laws of the State, District, Commonwealth, territory, or possession in which

the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of that State, District, Commonwealth, territory, or possession and by Federal savings and loan associations having their home offices therein, but no association may make any investment under this sentence if its aggregate outstanding investment under this sentence, determined as prescribed by the Board, would thereupon exceed 1 per centum of its assets.'

"SEC. 806. Section 10(b) of the Federal Home Loan Bank Act is amended—

"(1) by striking out 'twenty-five' in clause (1) and inserting in lieu thereof 'thirty'; and

"(2) by striking out '\$35,000' in clause (2) and inserting in lieu thereof '\$40,000'.

"SEC. 807. The second proviso in the first paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out 'or in the obligations of the Federal National Mortgage Association' and inserting in lieu thereof the following: ', or in obligations of the Federal National Mortgage Association or of any other agency of the United States; or in obligations of or guaranteed by, or special obligations (which may be defined by the Board) issued by, any one or more of the following: any State, any county, municipality, or political subdivision of any State, or any district, public instrumentality, or public authority of any one or more of the foregoing; and as used in this proviso the term 'State' shall include the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States'.

"SEC. 808. The first sentence of the second paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows: 'Without regard to any other provision of this subsection except the area requirement, any such association is authorized to invest a sum not in excess of 20 per centum of the assets of such association in loans insured under title I of the National Housing Act, in home improvement loans insured under title II of the National Housing Act, in unsecured loans insured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as amended, or chapter 37 of title 38 of the United States Code, and in other loans for property alteration, repair, or improvement: *Provided*, That no such loan, unless so insured or guaranteed, shall be made in excess of \$5,000.'

"SEC. 809. Title IV of the National Housing Act is amended by adding at the end thereof the following new section:

"Investment of certain funds in accounts of insured institutions

"SEC. 409. The savings accounts and share accounts held by institutions insured by the Corporation, to the extent they are insured by the Corporation, shall be lawful investments and may be accepted as security for all public funds of the United States, fiduciary and trust funds under the authority or control of the United States or any officer or officers thereof, and for the funds of all corporations organized under the laws of the United States, regardless of any limitation of law upon the investment of any such funds or upon the acceptance of security for the investment or deposit of any of such funds.'

"SEC. 810. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by inserting after the second paragraph the following new paragraph:

"Without regard to any other provision of this subsection, any such association is authorized to invest in loans, obligations, and advances of credit (all of which are herein-after referred to as 'loans' made for the payment of expenses of college or university education, but no association shall make any investment in loans under this paragraph if the principal amount of its investment in

such loans, exclusive of any investment which is or which at the time of its making was otherwise authorized, would thereupon exceed 5 per centum of its assets.'

"TITLE IX—MISCELLANEOUS

"FNMA—Removal of \$20,000 mortgage amount limitation

"SEC. 901. Section 302(b) of the National Housing Act is amended—

"(1) by striking out 'any mortgage' in clause (3) and inserting in lieu thereof 'any mortgage under section 305'; and

"(2) by striking out the proviso in clause (3).

"FNMA—Ninety per centum loans

"SEC. 902. Section 304(a) (2) of the National Housing Act is amended by striking out '80 per centum' and inserting in lieu thereof '90 per centum'.

"Transfer of mortgagor's equity in residence covered by FHA-insured mortgage

"SEC. 903. (a) If—

"(1) an individual is the mortgagor under a mortgage which is insured under the National Housing Act and which covers a one-, two-, three-, or four-family residence being used by such individual as his principal residence;

"(2) such individual is not in default on any payments under such mortgage, and either (A) at least one year has expired since the date of the execution of the mortgage or (B) such individual's equity in the property covered by the mortgage is at least \$500; and

"(3) such individual is required to move to a new location in the United States for reasons of health, because of a change in his employment, or for any other cause determined by the Federal Housing Commissioner to be reasonable or unavoidable,

then, under regulations prescribed by the Federal Housing Commissioner, such individual may transfer his equity in the property to a similar dwelling in the new location; in the manner provided by subsection (b).

"(b) An individual desiring to transfer his equity as provided in subsection (a) shall make application therefor to the Federal Housing Commissioner in such manner and form, and in accordance with such terms and conditions, as the Commissioner may require. The Commissioner may approve the application if he finds that the individual meets the conditions specified in subsection (a) and in the preceding sentence, and if the Commissioner holds title to a dwelling in the new location (acquired by him under section 204, 213(e), 220(f) (1), 221(g) (1), 222(d), 233(e), or 809(d) of the National Housing Act, or in any other manner) which such individual desires to purchase for use as his principal residence in the new location. Upon approving the application the Commissioner shall effect the transfer of the individual's equity by accepting the conveyance from him of title to his existing dwelling and selling to him the dwelling in the new location, for cash or credit and on terms and conditions as nearly equivalent to those applicable to the existing dwelling as may be practicable, but in any case reducing the purchase price thereof by an amount equal to the equity held by such individual in the existing dwelling.

"(c) As used in this section, the term 'equity', with respect to any property, means the amount determined by the Federal Housing Commissioner to be the value of the owner's interest in the property after deducting an amount equal to the customary sales expense and conveyancing costs prevailing in the locality for similar properties.

"Open-space program—Grant authorization

"SEC. 904. Section 702(b) of the Housing Act of 1961 is amended—

"(1) by striking out '\$50,000,000' and inserting in lieu thereof '\$75,000,000'; and

"(2) by adding at the end thereof the following: 'All funds so appropriated shall remain available until expended.'

"College housing loans

"SEC. 905. The second paragraph of section 404(b) of the Housing Act of 1950 is amended by adding at the end thereof the following new sentence: 'Where State law would prevent the institution (or all of the institutions) for whose students or students and faculty the housing is to be provided from cosigning the note, the Administrator shall instead require the approval of the corporation and the proposed project by such institution (or by any one or more of such institutions).'

"Acquisition of certain housing by Secretary of Defense

"SEC. 906. The first sentence of section 404 (a) of the Housing Amendments of 1955 is amended by inserting before the period at the end thereof the following: ', or (3) any housing situated on or adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) considered by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 608 of the National Housing Act, including adjacent property constructed primarily to provide commercial facilities for the occupants of such housing'.

"Forest Hills project in Paducah, Kentucky

"SEC. 907. The Federal Housing Commissioner is authorized and directed to sell to the Paducah-McCracken County Development Council, Incorporated, of Paducah Kentucky, for use as a public facility (including such use by the Paducah Junior College as may be deemed appropriate by such Council), and for a total price of \$1,000,000, all right, title, and interest of the United States in and to the housing project in Paducah known as Forest Hills (a project constructed under title VIII of the National Housing Act as in effect prior to August 11, 1955, and subsequently acquired by the Federal Housing Administration).

"Payment in lieu of taxes by Hawaii Housing Authority

"SEC. 908. Notwithstanding the provisions of any other law or any contract or rule of law, the Public Housing Commissioner shall approve a payment in lieu of taxes to be made for the fiscal year ended June 30, 1959, in the amount of \$24,167.78, by the Hawaii Housing Authority to the city and county of Honolulu.

"Transfer of land for urban renewal purposes by Philadelphia Housing Authority

"SEC. 909. (a) Notwithstanding the provisions of title I of the Housing Act of 1949 and the United States Housing Act of 1937, the Housing and Home Finance Administrator and the Public Housing Commissioner are authorized and directed to consent to the transfer by the Philadelphia Housing Authority to the Philadelphia Redevelopment Authority of all property acquired by the Housing Authority for low-rent housing project numbered Pennsylvania 2-51, on condition that (1) an amount which, together with any funds of the Housing Authority available for the purpose, is sufficient to pay and discharge all obligations incurred by the Housing Authority in connection with such low-rent housing project and owing at the time of transfer, will be paid by the Redevelopment Authority to the Public Housing Administration to be applied in satisfaction of the Housing Authority's obligations which it cannot meet with its own funds available for the purpose, and (2) the total amount so paid by the Redevelopment Authority will be included in the

gross project cost of its Whitman urban renewal project, Pennsylvania R-35.

"(b) The Housing and Home Finance Administrator and the Public Housing Commissioner are authorized to modify any contracts heretofore entered into and to take any other appropriate action necessary to carry out the provisions of subsection (a).

"Eligibility of certain local grants-in-aid

"SEC. 910. Notwithstanding the date of the commencement of construction of the Fox Point hurricane dam in Providence, Rhode Island, local expenditures made in connection with such dam shall, to the extent otherwise eligible, be counted as a local grant-in-aid to the railroad relocation urban renewal project (Rhode Island R-8) in accordance with the provisions of title I of the Housing Act of 1949."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar house bill (H.R. 12175) was laid on the table.

Mr. RAINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3049) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, with a House amendment thereto, insist upon the House amendment, and request an immediate conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? The Chair hears none, and appoints the following conferees: Messrs. PATMAN, RAINS, MULTER, BARRETT, WIDNALL, FINO, and Mrs. DWYER.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4364) entitled "An act to provide for the free entry of one mass spectrometer for the use of Oregon State University and one mass spectrometer for the use of Wayne State University".

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8864) entitled "An act to carry out the obligations of the United States under the International Coffee Agreement, 1962, signed at New York on September 28, 1962, and for other purposes".

CONFERENCE REPORTS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the managers on the

part of the House may have until midnight tonight, August 13, 1964, to file a conference report on the bill H.R. 4364, to provide for the free entry of one mass spectrometer for the use of Oregon State University.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight, August 13, 1964, to file a conference report on the bill H.R. 8864, to carry out the obligations of the United States under the International Coffee Agreement, 1962, signed at New York on September 28, 1962, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight Saturday, August 15, 1964, to file a conference report on the bill H.R. 8000, to amend the Internal Revenue Code of 1954 to impose a tax on acquisitions of certain foreign securities in order to equalize costs of longer term financing in the United States and in markets abroad, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

LAND ACQUIRED FOR THE FLANDREAU BOARDING SCHOOL

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11052) to declare that 80 acres of land acquired for the Flandreau Boarding School is held by the United States in trust for the Flandreau Santee Sioux Tribe, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 2, insert:

"SEC. 2. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission."

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

Mr. SAYLOR. Mr. Speaker, reserving the right to object, and I do this to direct a question to the chairman of the

Committee on Interior and Insular Affairs to inquire whether or not the amendment to this bill and the others which he will present to the House are all germane to each and every bill?

Mr. ASPINALL. Mr. Speaker, this is the first bill I shall call up. The amendments are all germane and are not of any particular importance except as part of the procedural matter.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DISPOSITION OF FUNDS ARISING FROM A JUDGMENT IN FAVOR OF THE SHAWNEE TRIBE OR NATION OF INDIANS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8834) to provide for the disposition of the funds arising from a judgment in favor of the Shawnee Tribe or Nation of Indians, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 3, line 25, strike out all after "income" over to and including "States" in line 4 on page 4 and insert: "tax".

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

PREPARING A ROLL OF PERSONS ELIGIBLE TO RECEIVE FUNDS FROM AN INDIAN CLAIMS COMMISSION JUDGMENT

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8080) to authorize the Secretary of the Interior to prepare a roll of persons eligible to receive funds from an Indian Claims Commission judgment in favor of the Snake or Paiute Indians of the former Malheur Reservation in Oregon, to prorate and distribute such funds, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 3, strike out lines 9 to 14, inclusive.

Page 3, line 15, strike out "5" and insert: "4".

Page 3, line 19, strike out "6" and insert: "5".

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs of the House may have until midnight tonight to file a report on the bills S. 2961 and S. 1169.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

CORRECTION OF ROLL CALL

Mr. RICH. Mr. Speaker, on roll call No. 74 I am recorded as not being present. I was, in fact, present, and answered to my name, and I ask unanimous consent that the Record and Journal may be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

Mr. ARENDS. Mr. Speaker, I take this time to ask the majority leader if he will advise us as to the program for tomorrow.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the acting minority leader, it is planned tomorrow to call up the bill (H.R. 11904) to amend the National Defense Education Act.

In addition, other bills which have been previously announced may be in order.

There are three bills that have not yet been considered. It is intended to bring up S. 1006, previously announced, with regard to fishing vessel construction. In addition to that, there are other bills eligible under rules, which may or may not be brought up tomorrow, depending on the time situation:

H.R. 1686, referring to annuities to widows of Supreme Court Justices.

H.R. 3869, regarding technical agricultural assistance to Guam.

H.R. 11893, to retain "1964" on coins temporarily.

H.R. 7107, regarding the Fire Island National Seashore.

House Resolution 809, with regard to travel authority for the Committee on the Judiciary.

There are also three bills that may be called up under unanimous consent:

H.R. 2500, to equalize the treatment of Reserves and Regulars in the payment of per diem.

H.R. 10328, for the relief of certain commissioned officers of the Army or Air Force.

H.R. 12193, with regard to Armed Forces cash awards.

I shall later ask unanimous consent

that the House meet at 10 o'clock tomorrow. If that permission is granted, we will not come in on Saturday. Otherwise it will probably be necessary to meet on Saturday.

Mr. ARENDS. In other words, it is the purpose to come in at 10 o'clock tomorrow, complete a full day, with the program the gentleman has just announced, and then adjourn over until next Monday?

Mr. ALBERT. That is correct.

HOOR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CORRECTION OF VOTE

Mr. WYDLER. Mr. Speaker, on roll call 217 I am recorded as being absent. I was present and voted "aye." I ask unanimous consent that the permanent Record and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ARE MISSILES IN CUBA?

(Mr. CRAMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAMER. Mr. Speaker, we see in both the UP and AP reports of today that there have been new reported sightings of possible missiles in Cuba. In this instance, there was an explosion in Pinar del Rio, and there were some missiles 120 feet long believed to be removed from the area. It was reported by underground and refugee sources that the missiles, some 120 feet long, were at the La Guatana Military Base in Pinar del Rio Province. This was discovered as the result of an explosion that took place in the area, possibly of some of the missile apparatus.

Shortly thereafter, under the cloak of darkness, these long, large vehicles containing missiles were reported to be moved from the area and Fidel Castro personally, according to the press report, appeared at the site.

These reports have been persistent that missiles, perhaps capable of reaching the United States, continue to remain in Cuba. It has been established beyond a doubt that there are caves capable of housing such missiles.

I think the time has come that the American people be satisfied beyond a reasonable doubt that these missiles either are or are not still in Cuba. I think it is the time that onsite inspections if possible through the sponsorship of the Organization of American States be insisted on by the United States. The Stennis committee in its report of

11. ADJOURNED until Mon., Aug. 17. p. 191905

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12. STATE, JUSTICE, COMMERCE, JUDICIARY APPROPRIATION BILL, 1965. The "Daily Digest" states that the conferees agreed to file a report on this bill, H. R. 11134. p. D702

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13. INDEPENDENT OFFICES APPROPRIATION BILL, 1965. Agreed to the conference report on this bill, H. R. 11296, and concurred in House amendments to two items in disagreement. This bill will now be sent to the President. pp. 18929-34

14. HOUSING. Disagreed to the House amendment to S. 3049, the housing bill. Conferees were appointed. pp. 18980-90

15. POVERTY. Sen. Simpson inserted an article critical of the poverty bill. pp. 18920-1

16. FOREIGN AID. Continued debate on H. R. 11380, the foreign-aid authorization bill. pp. 18935-49, 18954-68, 18993-9, 19001-12

17. NATIONAL PARK. Concurred in the House amendments to S. 16, establishing the Ozark National Rivers, Mo. This bill will now be sent to the President. pp. 18999-19000

Passed without amendment H. R. 946, to authorize the establishment of the Fort Bowie National Historic Site, Ariz. This bill will now be sent to the President. p. 19001

18. ELECTRIFICATION. Concurred in the House amendment to S. 502, to preserve the jurisdiction of the Congress over construction of hydroelectric projects on the Colorado River below Glen Canyon Dam. This bill will now be sent to the President. pp. 19000-1

19. ACCOUNTING. Passed without amendment H. R. 10446, to permit the use of statistical sampling procedures in the examination of vouchers. This bill will now be sent to the President. p. 19014

20. CLAIMS. Passed as reported H. R. 6910, to provide for the settlement of claims against the U. S. by members of the uniformed services and civilian officers and employees of the U. S. for damage to, or loss of, personal property incident to their service. p. 19014

Received a letter from this Department reporting tort claims paid in fiscal year 1964; to Judiciary Committee. p. 18903

21. CONTAINERS. Passed without amendment H. R. 9334, to amend the Standard Container Act of 1928 relating to standards of containers for fruits and vegetables, so as to permit the use of additional standard containers. This bill will now be sent to the President. p. 19015

22. ECONOMICS. Sen. Humphrey inserted his statement supporting S. 2274, to establish a National Economic Conversion Commission. pp. 19018-20

23. HOLIDAY. The Judiciary Committee reported without amendment S. 108, making Columbus Day a legal holiday (S. Rept. 1438). p. 18903

24. VEHICLES. The Commerce Committee reported without amendment H. R. 1341, to re-

quire passenger-carrying motor vehicles purchased for use by the Federal Government to meet certain safety standards (S. Rept. 1440). p. 18903

25. EDUCATION. The Labor and Public Welfare Committee ordered reported (but did not actually report) an original bill, the higher education student assistance bill of 1964. p. D697

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26. PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendments H. R. 8070, to establish a Public Land Law Review Commission to study existing laws and procedures relating to the administration of the public lands of the U. S. (S. Rept. 1444). p. 19108
27. AUDIT. Passed without amendment H. R. 4223, to provide for an audit of accounts of private corporations established under Federal law. This bill will now be sent to the President. p. 19133
28. HOLIDAY. Passed without amendment S. 108, making Columbus Day a legal holiday. p. 19136
29. FOREIGN AID. Continued debate on H. R. 11380, the foreign-aid authorization bill. pp. 19123-8, 19140-5, 19147-50
30. FISH PROTEIN. Sen. Douglas urged approval for sale of high protein fish concentrate. p. 19116-7
31. PAY. Sen. Johnston inserted the remarks of President Johnson when he signed the pay bill. p. 19151
32. EXPOSITIONS. Passed without amendment S. J. Res. 162, authorizing the President to call upon the States and foreign countries in the International Exposition for southern Calif. p. 19128

ITEMS IN APPENDIX

33. MEAT IMPORTS. Extension of remarks of Rep. Burke opposing the meat-import restriction bill, and stating "the rigid import bill will not help the cattlemen, and at the same time it will adversely affect our farm and industrial exports." pp. A4313-4
34. HOLIDAY. Extension of remarks of Rep. Carey expressing his support for the bill to make Columbus Day a national holiday. pp. A4316-7
35. APPALACHIA; ROADS. Extension of remarks of Rep. Saylor inserting correspondence with the Dept. of Commerce concerning his proposal that all highways in the Appalachia region be constructed on a 90-percent Federal and 10-percent State ration. pp. A4319-20
36. POVERTY. Rep. Edmondson inserted Sargent Shriver's address before Georgetown University in which he discussed the Peace Corps and the proposed poverty program. pp. A4324-6
37. FOOD STAMPS. Rep. Sullivan inserted an article, "Congress Clears Food Stamp Plan for the Needy--Nationwide Program Would Provide Assistance for Any Area Asking It." p. A4330

88TH CONGRESS
2D SESSION

S. 3049

IN THE HOUSE OF REPRESENTATIVES

AUGUST 14, 1964

Ordered to be printed as passed

AN ACT

To extend and amend laws relating to housing, urban renewal,
and community facilities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the “Housing Act of 1964”.

4 ~~TITLE I—MORTGAGE INSURANCE PROGRAM~~
5 ~~ADDITIONAL RELIEF FOR HOME MORTGAGORS IN DEFAULT~~
6 ~~DUE TO CIRCUMSTANCES BEYOND THEIR CONTROL~~

7 ~~SEC. 101. (a) Section 204(a) of the National Housing~~
8 ~~Act is amended by striking out the fourth proviso and~~
9 ~~inserting in lieu thereof the following: “: And provided~~
10 ~~further, That with respect to any mortgage covering a one-~~

1 two-, three-, or four-family residence insured under this
2 Act, if the Commissioner finds, after notice of default, that
3 the default was due to circumstances beyond the control of
4 the mortgagor, he may, upon such terms and conditions as
5 he may prescribe, (1) approve the request of the mortgagee
6 for an extension of the time for the curing of the default and
7 of the time for commencing foreclosure proceedings or for
8 otherwise acquiring title to the mortgaged property to such
9 time as the Commissioner may determine is necessary and
10 desirable to enable the mortgagor to complete the mortgage
11 payments, including an extension of time beyond the stated
12 maturity of the mortgage, and in the event of a subsequent
13 foreclosure or acquisition of the property by other means,
14 the Commissioner is authorized to include in debentures an
15 amount equal to any unpaid mortgage interest, or (2) ap-
16 prove a modification of the terms of the mortgage for the
17 purpose of changing the amortization provisions by recast-
18 ing, over the remaining term of the mortgage or over such
19 longer period as may be approved by the Commissioner, the
20 total unpaid amount then due, as determined by the Com-
21 missioner, with the modification to become effective currently
22 or to become effective upon the termination of an agreed-
23 upon extension of the period for curing the default; and
24 the principal amount of the mortgage, as modified, shall be
25 considered to be the 'original principal obligation of the

1 mortgage² as that term is used in this Act for the purpose
2 of computing the total face value of the debentures to be
3 issued or the cash payment to be made by the Commissioner
4 to a mortgagee².

5 (b) Section 230 of such Act is amended by striking out
6 the first sentence and inserting in lieu thereof the following:
7 "Upon receiving notice of the default of any mortgage cover-
8 ing a one-, two-, three-, or four-family residence heretofore
9 or hereafter insured under this Act, the Commissioner, in his
10 discretion, and for the purpose of avoiding foreclosure of the
11 mortgage, and notwithstanding the fact that he has previ-
12 ously approved a request of the mortgagee for an extension
13 of the time for curing the defaulted mortgage and of the time
14 for commencing foreclosure proceedings or for otherwise
15 acquiring title to the mortgaged property, or has approved
16 a modification of the mortgage for the purpose of changing
17 the amortization provisions by recasting the unpaid balance,
18 may acquire the loan and security therefor upon payment of
19 the insurance benefits in an amount equal to the unpaid prin-
20 cipal balance of the loan plus any unpaid mortgage interest
21 plus reimbursement for such costs and attorney's fees as the
22 Commissioner finds were properly incurred in connection
23 with the defaulted mortgage and its assignment to the Com-
24 missioner, and for any proper advances theretofore made by
25 the mortgagee under the provisions of the mortgage. After

1 the acquisition of such mortgage by the Commissioner, the
2 mortgagee shall have no further rights, liabilities, or obliga-
3 tions with respect thereto."

4 CORRECTION OF SUBSTANTIAL DEFECTS IN MORTGAGED
5 HOMES

6 SEC. 102. Title V of the National Housing Act is
7 amended by adding at the end thereof the following new
8 section:

9 "EXPENDITURES TO CORRECT OR COMPENSATE FOR
10 SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

11 "SEC. 517. (a) The Commissioner is authorized, with
12 respect to any property improved by a one- to four-family
13 dwelling approved for mortgage insurance prior to the begin-
14 ning of construction which he finds to have structural or other
15 major defects affecting the livability of the property, to make
16 expenditures for (1) correcting such defects, (2) paying the
17 claims of the owner of the property arising from such defects,
18 or (3) acquiring title to the property: *Provided*, That such
19 authority of the Commissioner shall exist only (A) if the
20 owner has requested assistance from the Commissioner not
21 later than four years (or such shorter time as the Commis-
22 sioner may prescribe) after insurance of the mortgage, and
23 (B) with respect to property encumbered by a mortgage
24 insured under this Act after or not more than three years
25 prior to the enactment of the Housing Act of 1964.

1 “(b) The Commissioner shall by regulations prescribe
2 the terms and conditions under which expenditures and pay-
3 ments may be made under the provisions of this section, and
4 his decisions regarding such expenditures or payments, and
5 the terms and conditions under which the same are approved
6 or disapproved, shall be final and conclusive and shall not be
7 subject to judicial review.”

8 HOME IMPROVEMENT LOANS OUTSIDE OF URBAN RE-
9 NEWAL AREAS

10 ~~SEC. 103.~~ Section 203(k) of the National Housing
11 Act is amended by—

12 ~~(1)~~ striking out in clause ~~(2)~~ “economically
13 sound” and inserting in lieu thereof “an acceptable
14 risk”;

15 ~~(2)~~ striking out clause ~~(4)~~ and inserting in lieu
16 thereof the following: “~~(4)~~ insurance benefits shall be
17 paid in cash out of the Section 203 Home Improvement
18 Account or in debentures executed in the name of such
19 Account.”; and

20 (3) striking out in the third sentence "Debentures
21 issued with respect to loans insured under this sub-
22 section shall be issued" and inserting in lieu thereof
23 "Insurance benefits paid with respect to loans insured
24 under this subsection shall be paid".

1 MORTGAGE INSURANCE FOR NONPROFIT NURSING HOMES

2 SEC. 104 (a) Section 232(b)-(1) of the National
3 Housing Act is amended by inserting after "proprietary
4 facility" the following: "or facility of a private nonprofit
5 corporation or association".

6 (b) Section 232(d)-(4) of such Act is amended to read
7 as follows:

8 "(4) The Commissioner shall not insure any mort-
9 gage under this section unless he has received from the
10 Surgeon General of the United States a certification
11 (1) that the State agency designated in accordance with
12 section 612(a)-(1) of the Public Health Service Act for
13 the State in which the proposed nursing home would
14 be located, has certified the need for such a nursing
15 home, (2) that there are in force in such State or
16 other political subdivision in which the proposed nursing
17 home would be located reasonable minimum standards
18 of licensure and methods of operation for nursing homes,
19 (3) that satisfactory assurances have been obtained
20 that such standards will be applied and enforced with
21 respect to any nursing home for which mortgage in-
22 surance is provided under this section located in such
23 State or other political subdivision, and (4) of the
24 amount of the Federal share, if any, of the cost of the

project with respect to which assistance under this section is sought.”

TITLE II—URBAN RENEWAL AND GROWTH

CODE ENFORCEMENT

SEC. 201. (a) Section 101(e) of the Housing Act of 1949 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: “: *Provided further*, That commencing three years after the date of enactment of the Housing Act of 1964, no workable program shall be certified or re-certified unless (A) the locality has had in effect, for at least six months prior to such certification or re-certification, a minimum standards housing code, related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate by the Administrator, and (B) the Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with such housing code.”

(b) The first sentence of section 110(e) of such Act is amended by inserting after “or rehabilitation or conservation in an urban renewal area,” the following: “or a program of code enforcement in an urban renewal area,”.

(c) Paragraph (5) of the second sentence of section 110(e) of such Act is amended by (1) striking out “a program of” and inserting in lieu thereof “programs of code

1 enforcement or", and ~~(2)~~ adding before the semicolon at the
 2 end of such paragraph the following: "*Provided*, That no
 3 program of code enforcement shall be included as part of an
 4 urban renewal project unless the locality shall agree to in-
 5 crease its total expenditures with respect to code enforcement,
 6 during the period such project is under contract for a loan or
 7 capital grant, by an amount equal to the required local grants-
 8 in-aid with respect to the code enforcement included as part
 9 of such project".

10 ~~(d)~~ Any contract for a capital grant under title I of the
 11 Housing Act of 1949, executed prior to the date of enact-
 12 ment of this Act, may be amended to incorporate the provi-
 13 sions of subsection ~~(c)~~ for costs incurred on or after such
 14 date.

15 LOAN CONTRACT FOR TWO OR MORE PROJECTS

16 SEC. 202. ~~(a)~~ Section 102~~(a)~~ of the Housing Act of
 17 1949 is amended by adding at the end thereof the following:
 18 "Notwithstanding any other provision of this title, the Ad-
 19 ministrator may make a temporary loan, as described in the
 20 first two sentences of this subsection, for two or more urban
 21 renewal projects being carried out by the same local public
 22 agency. The principal amount of any such loan which is
 23 outstanding at any one time shall not exceed the estimated
 24 expenditures to be made by the local public agency for such
 25 projects."

~~(b)~~ Section 110(g) of such Act is amended by striking out in the first sentence thereof the words “for any project”.

CAPITAL GRANT AUTHORIZATION

SEC. 203. Section 103(b) of the Housing Act of 1949 is amended by striking out “not to exceed \$4,000,000,000” and inserting in lieu thereof “not to exceed \$4,850,000,000”.

FEASIBLE METHOD FOR RELOCATION OF INDIVIDUALS

SEC. 204. ~~(a)~~ Section 105(c) of the Housing Act of 1949 is amended by striking out “families”, wherever that term appears, and inserting in lieu thereof “individuals and families”.

~~(b)~~ The requirement imposed by the amendment contained in subsection ~~(a)~~ of this section shall not be applicable to any project receiving Federal recognition prior to the date of enactment of this Act.

PROPERTY TO BE USED FOR HOUSING FOR MODERATE-INCOME FAMILIES OR INDIVIDUALS

SEC. 205. Section 107(b) of the Housing Act of 1949 is amended by inserting after “families” the words “or individuals”.

AMENDMENT OF DEFINITION OF “GOING FEDERAL RATE”

SEC. 206. Section 110(g) of the Housing Act of 1949 is amended by striking out the last sentence and inserting in lieu thereof the following: “Any contract for a loan or

1 advance, authorized by the Administrator after the date of
 2 enactment of the Housing Act of 1964, shall provide for a
 3 single interest rate which shall be applicable also to future
 4 amendments of the contract which provide additional funds
 5 thereunder, and shall further provide for a periodic revision
 6 of the interest rate on the balance outstanding or to be out-
 7 standing on such loan or advance based on the going
 8 Federal rate on the date of such revision: *Provided*, That
 9 any contract for a loan or advance authorized prior to the date
 10 of enactment of the Housing Act of 1964 shall be amended
 11 ~~(with the first amendment to such contract authorized after~~
 12 ~~the date of enactment of such Act)~~ to provide for such a
 13 single interest rate ~~(based on the going Federal rate at the~~
 14 ~~time such amendment is authorized)~~ and for periodic re-
 15 vision thereof."

16 PROJECTS INVOLVING THE ACQUISITION AND DEVELOP-
 17 MENT OF AIR RIGHTS SITES

18 SEC. 207. ~~(a)~~ Section 110(c)(1) of the Housing Act
 19 of 1949 is amended by—

20 ~~(1)~~ inserting a new clause ~~(iv)~~ before the proviso
 21 to read as follows: "~~or (iv)~~ air rights in an area con-
 22 sisting principally of land in highways, railway or sub-
 23 way tracks, bridge or tunnel entrances, or other similar
 24 facilities which have a blighting influence on the sur-

rounding area and over which air rights sites are to be developed for the elimination of such blighting influences and for the provision of housing (and related facilities and uses) for families and individuals of low- or moderate income"; and

(2) striking out in the proviso "an open land project" and inserting in lieu thereof "projects under (iii) and (iv) hereof".

(b) Section 110(c) of such Act is further amended by—

(1) striking out "and" at the end of paragraph (6), and redesignating paragraph (7) as paragraph (8); and

(2) inserting after paragraph (6) a new paragraph as follows:

"(7) construction of foundations and platforms necessary for the provision on air rights sites of low- or moderate-income housing and related facilities and uses; and".

(c) Section 110(d) of such Act is amended by striking out "project") and inserting in lieu thereof "project, or of air rights over streets, alleys, and other public rights-of-way)".

1 RELOCATION PAYMENTS TO DISPLACED PERSONS AND
2 BUSINESSES

3 SEC. 208. (a) Title I of the Housing Act of 1949 is
4 amended by adding at the end thereof the following new
5 section:

6 "RELOCATION

7 "SEC. 114. (a) Notwithstanding any other provision
8 of this title, an urban renewal project may include the mak-
9 ing of payments as prescribed in this section to displaced
10 families, individuals, business concerns and nonprofit orga-
11 nizations; and any contract for financial assistance under this
12 title shall provide that the capital grant otherwise payable
13 for the project shall be increased by an amount equal to such
14 payments and that no part of the amount of such payments
15 shall be required to be contributed as part of the local grant-
16 in-aid. As used in this section, 'displaced' refers to dis-
17 placement from an urban renewal area made necessary by
18 (1) the acquisition of real property by a local public agency
19 or by any other public body, (2) code enforcement activi-
20 ties undertaken in connection with an urban renewal proj-
21 ect, or (3) a program of voluntary rehabilitation of build-
22 ings or other improvements in accordance with an urban
23 renewal plan.

24 "(b) A local public agency may pay the following to
25 any displaced business concern or nonprofit organization:

“(1) its total certified actual moving expenses and, in addition, an amount not to exceed \$3,000 for any actual direct losses of property except goodwill or profit: *Provided*, That payments shall be made only for such certified actual moving expenses and such actual direct losses of property which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made; and

“(2) additional amounts of (i) \$1,000 upon displacement of a private business concern, and (ii) \$1,500 if such concern is not reestablished within one year following displacement: *Provided*, That payments may be made under this clause (2) only to a business concern with average annual earnings of less than \$10,000 per year which (A) was doing business in a location in the urban renewal area on the date of local approval of the urban renewal plan (or of acquisition of real property under the third sentence of section 102(a)), (B) is displaced on or after January 27, 1964, and (C) is not part of an enterprise having establishments outside the urban renewal area.

Notwithstanding the provisions of clause (1) of the preceding sentence, a business concern which is not being displaced from an urban renewal area shall be eligible for payments under such clause (1) of its certified actual moving

1 expenses with respect to its outdoor advertising displays
2 being removed from the urban renewal area in the same
3 manner as though such business concern were being
4 displaced.

5 “(c)(1) A local public agency may pay to any dis-
6 placed individual or family its reasonable and necessary mov-
7 ing expenses and any actual direct losses of property (which
8 are incurred on and after August 7, 1956, and for which
9 reimbursement or compensation is not otherwise made):
10 *Provided*, That such payments shall not exceed \$200: *And*
11 *provided further*, That the Administrator may authorize pay-
12 ment to individuals and families of fixed amounts (not to
13 exceed \$200 in any case) in lieu of their respective reason-
14 able and necessary moving expenses and actual direct losses
15 of property.

16 “(2) A local public agency may pay (in addition to
17 any amount under paragraph (1) of this subsection) to any
18 displaced family, or to any displaced individual sixty-two
19 years of age or over, a monthly payment, for not to exceed
20 twelve months, equal to one-twelfth of the amount which,
21 when added to 20 per centum of the annual income of such
22 displaced individual or family at the time of its displace-
23 ment, equals the average annual rental required for a
24 decent, safe, and sanitary dwelling of modest standards
25 adequate in size to accommodate the displaced individual

1 or family (in the urban renewal area or in other areas not
2 generally less desirable in regard to public utilities and
3 public and commercial facilities): *Provided*, That this
4 monthly payment shall be available only to such individual
5 or family who is displaced on or after January 27, 1964,
6 and prior to October 1, 1965, and whose income is below
7 the limits established to determine eligibility for admission
8 to housing constructed or to be constructed in the locality
9 under the provisions of section 221(d)(3) of the National
10 Housing Act, and such payment shall not exceed the esti-
11 mated proportionate amount, attributable to a dwelling unit
12 of comparable size and type, of the fixed annual contribution
13 for the most recently constructed low-rent housing project
14 assisted under the United States Housing Act of 1937 in
15 the same locality or the nearest locality of comparable size
16 and in which there exists comparable cost levels: *Provided*
17 *further*, That such payment shall be made only to such
18 individual or family who is unable to secure a dwelling
19 unit in a low-rent housing project assisted under the United
20 States Housing Act of 1937, or under a State or local pro-
21 gram found by the Administrator to have the same general
22 purposes as the Federal program under such Act.

23 “(d) The Administrator is authorized to establish such
24 rules and regulations as he may deem appropriate in carry-
25 ing out the provisions of this section and may provide in

1 any contract with a local public agency, or in regulations
2 promulgated by the Administrator, that determinations of
3 any duly designated officer or agency as to eligibility for
4 and the amount of relocation assistance authorized by this
5 section shall be final and conclusive for any purposes and
6 not subject to redetermination by any court or any other
7 officer.

8 “(e) If a family or individual receiving payments under
9 subsection ~~(e)(2)~~ of this section is a displaced family or
10 individual for the purposes of any priority or preference in
11 admission to housing assisted under the United States Hous-
12 ing Act of 1937, or section 221 of the National Housing Act,
13 the individual or family, if otherwise eligible for admission
14 to such housing, shall retain such priority or preference at
15 the end of the period for which such payments are made.”

16 ~~(b)~~ Any contract with a local public agency which was
17 executed under title I of the Housing Act of 1949 before
18 the date of enactment of this Act may be amended to pro-
19 vide for payments authorized by this section.

20 ~~(e)~~ Section 106 of such Act is amended by striking out
21 subsection ~~(f)~~.

22 ~~(d)(1)~~ Notwithstanding the provisions of titles I, IV,
23 X, XIV, and XVI of the Social Security Act, an approved
24 State plan under any such title shall provide that payments

1 made to or on behalf of any person pursuant to section
 2 144(c) of the Housing Act of 1949, or section 15(8) of
 3 the United States Housing Act of 1937, shall not be regarded
 4 as income or resources of such person or any other person
 5 or persons in determining his or their need under such
 6 approved State plan.

7 ~~(2)~~ No funds to which a State is otherwise entitled
 8 under title I, IV, X, XIV, or XVI of the Social Security
 9 Act for any period before July 1, 1965, shall be withheld
 10 by reason of any action taken pursuant to a State statute
 11 which prevents such State from complying with the require-
 12 ments of paragraph ~~(1)~~ of this subsection.

13 URBAN RENEWAL DEMONSTRATION PROGRAM

14 SEC. 209. Section 314 of the Housing Act of 1954 is
 15 amended by—

16 ~~(1)~~ inserting “(a)” after “314.”

17 ~~(2)~~ inserting before the period at the end of the
 18 second sentence the following: “: *Provided*, That such
 19 a grant may cover the full cost of writing and publishing
 20 reports on such activities and undertakings”;

21 ~~(3)~~ inserting “activities and” before “undertak-
 22 ings” in the third sentence; and

23 ~~(4)~~ striking out the last two sentences and insert-

1 ing at the end of the section two new subsections as
2 follows:

3 “(b) The Administrator is further authorized to pay
4 for the cost of (1) writing and publishing reports on activi-
5 ties and undertakings financed by grants made under this
6 section, as well as reports on similar activities and under-
7 takings not so financed, which are of significant value in
8 furthering the purposes of this section, and (2) writing and
9 publishing summaries and other informational material on
10 such reports.

11 “(c) The aggregate amount of grants made under sub-
12 section (a) and costs incurred pursuant to subsection (b)
13 shall not exceed \$10,000,000, and shall be payable from
14 the grant funds authorized by section 103(b) of the Housing
15 Act of 1949. The Administrator may make advance or
16 progress payments on account of any contract entered into
17 pursuant to this section, notwithstanding the provisions of
18 section 3648 of the Revised Statutes.”

19 URBAN AND REGIONAL PLANNING GRANTS

20 SEC. 210. (a) Section 701(a) of the Housing Act of
21 1954 is amended by striking out “resulting from rapid urban-
22 ization” in clause (B) of paragraph (1).

23 (b) Section 701(a) of such Act is further amended
24 by—

1 ~~(1)~~ striking out “and” at the end of paragraph
2 ~~(4)~~;

3 ~~(2)~~ striking out the period at the end of paragraph
4 ~~(5)~~ and inserting in lieu thereof a semicolon; and

5 ~~(3)~~ adding a new paragraph after paragraph ~~(5)~~
6 as follows:

7 “~~(6)~~ metropolitan and regional planning agen-
8 cies, with the approval of the State planning agency
9 or ~~(in States where no such planning agency exists)~~
10 of the Governor of the State, for the provision of
11 planning assistance within the metropolitan area or
12 region to cities, other municipalities, counties,
13 groups of adjacent communities, or Indian reserva-
14 tions described in clauses ~~(A)~~, ~~(B)~~, ~~(C)~~, and ~~(D)~~
15 of paragraph ~~(1)~~ of this subsection; and”.

16 ~~(c)~~ Section 701~~(a)~~ of such Act is further amended by
17 striking out “~~(a)~~” after “section 5” in paragraph ~~(3)~~.

18 ~~(d)~~ Section 701~~(b)~~ of such Act is amended by striking
19 out the proviso in the first sentence and inserting in lieu
20 thereof “: *Provided*, That such a grant may be in an amount
21 not exceeding three-fourths of such estimated cost for plan-
22 ning being carried out for a city, other municipality, county,
23 group of adjacent communities, or Indian reservation in an
24 area designated by the Secretary of Commerce as a re-

1 development area under section 5 of the Area Redevelop-
2 ment Act”.

3 ELIGIBILITY OF COUNTIES FOR PLANNING ASSISTANCE

4 SEC. 211. Section 701(a) of the Housing Act of 1954
5 is amended by striking out clause (A) of paragraph (1)
6 and inserting in lieu thereof the following: “(A) cities and
7 other municipalities having a population of less than fifty
8 thousand according to the latest decennial census, and
9 counties without regard to population: *Provided*, That grants
10 shall be made under this paragraph for planning assistance
11 to counties having a population of fifty thousand or more,
12 according to the latest decennial census, which are within
13 metropolitan areas, only if (i) the Administrator finds that
14 planning and plans for such county will be coordinated
15 with the program of comprehensive planning, if any, which
16 is being carried out for the metropolitan area of which the
17 county is a part, and (ii) the aggregate amount of such
18 grants made, which are subject to this proviso, does not
19 exceed 15 per centum of the aggregate amount appropriated,
20 after the date of enactment of the Housing Act of 1964, for
21 the purposes of this section.”.

22 PLANNING PROBLEMS RESULTING FROM CHAMIZAL TREATY

23 OF 1903

24 SEC. 212. Notwithstanding the provisions of section 701
25 of the Housing Act of 1954 with respect to the eligibility of
26 a city for a grant thereunder, the Housing and Home Fi-

1 nance Administrator is authorized to make planning grants to
 2 the city of El Paso, Texas, for the purpose of assisting it to
 3 solve those urban planning problems that have resulted or are
 4 expected to result from the Chamizal Treaty of 1963 between
 5 the United States of America and the Republic of Mexico.
 6 Any such grants shall be subject to all other conditions and
 7 requirements contained in such section 701.

8 **PLANNING GRANTS FOR INDIAN RESERVATIONS**

9 **SEC. 213.** (a) Section 701(a) of the Housing Act of
 10 1954 is amended by—

11 (1) striking out “and” at the end of clause (B) of
 12 paragraph (1);

13 (2) inserting “, and (D) Indian reservations” be-
 14 fore the semicolon at the end of paragraph (1); and

15 (3) inserting a new paragraph after paragraph (6)
 16 (added by section 210(b)) as follows:

17 “(7) tribal planning councils or other tribal
 18 bodies designated by the Secretary of the Interior
 19 for planning for an Indian reservation to which no
 20 State planning agency or other agency or instru-
 21 mentality is empowered to provide planning assist-
 22 ance under clause (D) of paragraph (1) above.”

23 (b) Section 701(d) of such Act is amended by—

24 (1) striking out “and urban regions” in the first
 25 sentence and inserting in lieu thereof “urban regions,
 26 and Indian reservations”; and

1 ~~(2)~~ inserting after “instrumentalities” in the second
2 sentence the following: “, and to Indian tribal bodies,”.

3 PLANNING GRANT AUTHORIZATION

4 SEC. 214. Section 701(b) of the Housing Act of 1954
5 is amended by striking out “\$75,000,000” in the last sen-
6 tence and inserting in lieu thereof “\$105,000,000”.

7 ELIGIBILITY OF CERTAIN LOCAL GRANTS-IN-AID

8 SEC. 215. Notwithstanding the provisions of section
9 112(b) of the Housing Act of 1949, expenditures made
10 by Saint Francis Hospital, Peoria, Illinois, for the pur-
11 chase of two parcels of lands on or about June 25 and July
12 28, 1956, for a price or not more than \$82,980, shall if
13 otherwise eligible be counted as local grants-in-aid to the
14 Peoria “Medical Center” urban renewal project (Illinois
15 R-61) in accordance with the remaining provisions of title
16 I of that Act.

17 NONRESIDENTIAL PROJECTS IN THE DISTRICT OF COLUMBIA

18 SEC. 216. Section 20(i) of the District of Columbia
19 Redevelopment Act of 1945 is amended by striking out the
20 first parenthetical phrase and inserting in lieu thereof the fol-
21 lowing: “(as such projects are now or may hereafter be de-
22 fined in title I of the Housing Act of 1949, including but not
23 limited to projects authorized without regard to the residen-
24 tial or nonresidential character or re-use of the urban re-
25 newal area)”.

1 TITLE III—HOUSING FOR LOW-INCOME FAMILIES

2 ELIGIBILITY OF DISPLACED INDIVIDUALS

3 SEC. 301. (a) Section 2(2) of the United States Hous-
4 ing Act of 1937 is amended to read as follows:

5 “(2) The term ‘families of low income’ means families
6 (including elderly and displaced families) who are in the
7 lowest income group and who cannot afford to pay enough
8 to cause private enterprise in their locality or metropolitan
9 area to build an adequate supply of decent, safe, and sanitary
10 dwellings for their use. The term ‘families’ includes single
11 persons only in the case of elderly families, displaced fami-
12 les, and the remaining members of tenant families. The
13 term ‘elderly families’ means families whose heads (or their
14 spouses), or whose sole members, have attained the age at
15 which an individual may elect to receive an old age benefit
16 under title II of the Social Security Act, or who are under
17 a disability as defined in section 223 of that Act. The term
18 ‘displaced families’ means families displaced by urban re-
19 newal or other governmental action.”

20 (b) Section 10(g)(2) of such Act is amended by—

21 (1) striking out “those displaced by urban renewal
22 or other governmental action” and inserting in lieu
23 thereof “displaced families”; and

24 (2) striking out “; and” at the end thereof and
25 inserting in lieu thereof the following: “; *Provided,*

1 That in establishing such admission policies the public
 2 housing agency shall accord to families of low income
 3 such priority over single persons as it determines to be
 4 necessary to avoid undue hardship; and".

5 (c) Section 15(7)(b) of such Act is amended by
 6 striking out "family displaced by urban renewal or other
 7 governmental action" and inserting in lieu thereof "dis-
 8 placed family".

9 ADDITIONAL SUBSIDY FOR URBAN RENEWAL AND
 10 LOW-RENT HOUSING DISPLACEDS

11 SEC. 302. The first proviso in section 10(a) of the
 12 United States Housing Act of 1937 is amended to read as
 13 follows: "": *Provided*, That the Authority may, in addition
 14 to the payments guaranteed under the contract, pay not to
 15 exceed \$120 per annum per dwelling unit occupied by an
 16 elderly family, or a displaced family if such family was dis-
 17 placed by an urban renewal or low-rent housing project on
 18 or after January 27, 1964, on the last day of the project
 19 fiscal year where such amount, in the determination of the
 20 Authority, was necessary to enable the public housing
 21 agency to lease the dwelling unit to an elderly or displaced
 22 family at a rental it could afford and to operate the project
 23 on a solvent basis; and, in the case of displaced families, if
 24 and to the extent that the average or estimated average
 25 rental for units so occupied by such families was less than

1 the rental which the Authority determines, on the basis of
 2 the average or estimated average project rentals, would have
 3 been established in leasing the units to families which were
 4 neither elderly nor similarly displaced”.

5 CERTIFICATION OF EQUIVALENT ELIMINATION

6 SEC. 303. The fourth sentence of section 10(a) of the
 7 United States Housing Act of 1937 is amended by
 8 inserting immediately before the comma after the word
 9 “elimination”, where the word first appears, the following:
 10 “, as certified by the local governing body”.

11 INCREASE IN AUTHORIZATION FOR ANNUAL

12 CONTRIBUTIONS

13 SEC. 304. Section 10(e) of the United States Housing
 14 Act of 1937 is amended by striking out “\$336,000,000”
 15 and inserting in lieu thereof “\$372,000,000”.

16 RELOCATION OF FAMILIES AND INDIVIDUALS DISPLACED 17 FROM PROJECT SITES

18 SEC. 305. (a) Section 15(7) (b) of the United States
 19 Housing Act of 1937 is amended by striking out “and” be-
 20 fore “(ii)”, and by striking out the period at the end
 21 thereof and inserting in lieu thereof a semicolon and the
 22 following: “and (iii) unless the public housing agency has
 23 demonstrated to the satisfaction of the Authority that there
 24 is a feasible method for the temporary relocation of the in-
 25 dividuals and families displaced from the project site, and

1 there are, or are being provided, in the project or in other
2 areas not generally less desirable in regard to public utilities
3 and public and commercial facilities and at rents or prices
4 within the financial means of the individuals and families dis-
5 placed from the project site, decent, safe, and sanitary dwell-
6 ings equal in number to the number of and available to such
7 displaced individuals and families and reasonably accessible
8 to their places of employment.”

9 ~~(b)~~ Subsection ~~(a)~~ of this section shall not be applicable
10 with respect to any project for which an application for pre-
11 liminary loan has been approved by the local governing
12 body prior to the date of enactment of this Act.

RELOCATION PAYMENTS

14 ~~SEC. 306.~~ Section 15 of the United States Housing Act
15 of 1937 is amended by adding at the end thereof a new para-
16 graph as follows:

“(8) In order to permit public housing agencies to make relocation payments, the Authority may authorize the cost of such payments to be included with the development or acquisition cost of any project for purposes of determining the amount of loans and annual contributions authorized to be made with respect to such project under sections 9 and 10 of this Act, but the cost of such payments shall be separately stated as relocation costs and shall be excluded from any amounts on which the computation of annual contri-

1 butions is based for purposes of determining the amount of
 2 local contributions required with respect to such project
 3 under section 10(h) of this Act. As used in this paragraph,
 4 the term 'relocation payments' means payments which (A)
 5 are made to individuals, families, business concerns, or non-
 6 profit organizations displaced on or after January 27, 1964,
 7 from a low-rent housing project site as a result of the acqui-
 8 sitions of real property by a public housing agency; (B) are
 9 not otherwise authorized under any Federal law; and (C)
 10 are made only on such terms and conditions, and sub-
 11 ject to such limitations, as are authorized (as of the time
 12 any such payment is approved) under sections 114 (b) and
 13 (c) of the Housing Act of 1949 for relocation payments
 14 made to individuals, families, business concerns, and non-
 15 profit organizations pursuant to such sections: *Provided,*
 16 That the provisions of section 114(c) of the Housing Act
 17 of 1949 shall be applicable with respect to families and in-
 18 dividuals receiving relocation payments pursuant to this
 19 paragraph if such payments are of the kind described in
 20 section 114(c)(2) of such Act."

21 LOW-INCOME HOUSING DEMONSTRATION PROGRAM

22 AUTHORIZATION

23 SEC. 307. Section 207 of the Housing Act of 1961 is
 24 amended by striking out "\$5,000,000" and inserting in lieu
 25 thereof "\$10,000,000".

1 TITLE IV—COMMUNITY FACILITIES

2 PUBLIC FACILITY LOANS

3 SEC. 401. ~~(a)~~ Section 202~~(a)~~ of the Housing Amend-
4 ments of 1955 is amended by striking out in clause ~~(1)~~ of
5 the first sentence “instrumentalities of States” and inserting
6 in lieu thereof “instrumetalities of one or more States”, and
7 by striking out “in the same State” and inserting in lieu
8 thereof “ one or more States”.

9 ~~(b)~~ Section 202~~(b)~~~~(4)~~ of such Amendments is
10 amended by—

11 ~~(1)~~ striking out “the second sentence of section
12 5~~(a)~~ of the Area Redevelopment Act” and inserting in
13 lieu thereof “section 5 of the Area Redevelopment Act”;
14 and

15 ~~(2)~~ inserting “~~(A)~~” before “to any municipal-
16 ity” in the first sentence, and by striking out everything
17 following the phrase “most recent decennial census, or”
18 in that sentence and inserting in lieu thereof the follow-
19 ing: “; or ~~(B)~~ to any public agency or instrumentality
20 serving one or more municipalities, political subdivisions,
21 or unincorporated areas in one or more States, unless
22 each municipality, political subdivision, or unincorpo-
23 rated area to be served by the specific public work or
24 facility for which assistance is sought under this section

has a population less than the applicable figure under clause (A) according to such census."

ADVANCE ACQUISITION OF LAND

SEC. 402. (a) Section 202 of the Housing Amendments of 1955 is further amended by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively, and by inserting after subsection (a) the following new subsection:

"(b) In order to encourage and assist in the timely acquisition of open or predominantly undeveloped land planned to be utilized in connection with the future construction of public works and facilities, the Administrator is authorized to purchase the securities and obligations of, or make loans to, municipalities and other political subdivisions and instrumentalities of one or more States (including public agencies and instrumentalities of one or more municipalities or other political subdivisions of one or more States); and Indian tribes to finance the acquisition of a fee simple estate or other interest in such land. A loan under this subsection (1) may be in an amount which shall not exceed the total cost, as approved by the Administrator, of acquiring such interest, (2) shall be reasonably secured, (3) shall be repaid in such manner and within such period, not exceeding fifteen years, as may be determined by the

1 Administrator, and ~~(4)~~ shall bear interest at the rate pre-
 2 scribed for financial assistance extended under subsection
 3 ~~(a)~~ of this section. The Administrator in his discretion may
 4 provide for the postponement of the payment of principal
 5 and interest on any financial assistance extended under this
 6 subsection: *Provided*, That any interest payment so deferred
 7 shall accrue and be compounded semiannually, or the cost
 8 of deferring interest payments shall be otherwise recovered.
 9 The Administrator shall not extend any financial assistance
 10 under this subsection for the acquisition of land unless he
 11 finds that the public work or facility for which such land
 12 is to be utilized is planned to be constructed or initiated
 13 within a reasonable period of time and that construction of
 14 such public work or facility will contribute to economy,
 15 efficiency, and the comprehensively planned development
 16 of the area. The Administrator may set such further terms
 17 and conditions for assistance under this subsection as he
 18 deems to be desirable."

19 ~~(b)~~ Section 202(f) of such Amendments ~~(as redesignated by subsection (a) of this section)~~ is amended by
 20 striking out "subsections ~~(b)~~ and ~~(c)~~" and inserting in
 21 lieu thereof "subsections ~~(c)~~ and ~~(d)~~".

23 ~~(c)~~ Section 203(a) of such Amendments is amended
 24 by inserting after "section 202(a)" the following: "and
 25 pursuant to section 202(b)".

ADVANCES FOR PUBLIC WORKS PLANNING

SEC. 403. (a) Section 702(e) of the Housing Act of 1954 is amended to read as follows:

“(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances and claims outstanding as of such date in connection with advances made pursuant to title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791), and the Act of October 13, 1949 (63 Stat. 841-2). There are hereby authorized to be appropriated to such revolving fund, in addition to amounts authorized to be appropriated for this section prior to the date of enactment of the Housing Act of 1964, such sums, not to exceed \$20,000,000, as may be necessary to carry out the purposes of this section.”

(b) Section 702 of such Act is amended by adding at the end thereof the following new subsection:

“(h)(1) Notwithstanding any other provision of law, if a public agency undertakes to construct only a portion of a public work planned with an advance under this section,

1 title V of the War Mobilization and Reconversion Act of
 2 1944, or the Act of October 13, 1949, it shall repay such
 3 proportionate amount of the advance relating to the public
 4 work as the Administrator determines to be equitable.

5 “(2) The Administrator is authorized to terminate,
 6 upon such terms and conditions as he shall deem equitable,
 7 all or a portion of the liability for repayment of any advance
 8 made pursuant to this section, title V of the War Mobiliza-
 9 tion and Reconversion Act of 1944, or the Act of October 13,
 10 1949. Whenever the Administrator determines that there is
 11 no reasonable likelihood that the public work, or a portion
 12 of the public work, planned with such advance will be con-
 13 structed, he may terminate the agreement for the advance.
 14 Such determination shall be conclusive when based on
 15 standards prescribed by regulations to be issued by the
 16 Administrator.”

17 (c) Section 702 of such Act is amended by—

18 (1) striking out in subsection (a) “public agen-
 19 cies”, wherever that term appears, and inserting in lieu
 20 thereof “public agencies and Indian tribes”;

21 (2) striking out in clause (3) of subsection (b)
 22 “public agency” and inserting in lieu thereof “public
 23 agency or Indian tribe”;

24 (3) striking out in subsection (c) “public agency”,
 25 wherever that term appears, and inserting in lieu thereof

“public agency or Indian tribe”, and by striking out “by such agency” and inserting in lieu thereof “by such agency or tribe”; and

(4) striking out in subsection (c) the following: “That if the public agency undertakes to construct only a portion of a planned public work it shall repay such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable: *And provided further,*”.

(d) Section 702(b) of such Act is amended by striking out the last sentence thereof.

TITLE V—MORTGAGE INSURANCE

PROCEDURAL AMENDMENTS

TIME LIMIT ON FHA RECOUPMENT OF TITLE I INSURANCE

PAYMENTS

SEC. 501. Section 2(g) of the National Housing Act is amended by striking out “after December 31, 1957,”.

OPTIONAL CASH PAYMENT OF INSURANCE BENEFITS

SEC. 502. Title V of the National Housing Act is amended by inserting after section 517 (added by section 402 of this Act) a new section as follows:

“OPTIONAL CASH PAYMENT OF INSURANCE BENEFITS

“SEC. 518. Notwithstanding any other provision of this Act with respect to the payment of insurance bene-

1 fits, the Commissioner is authorized, in his discretion, to pay
 2 in cash or in debentures, on the basis of regulations to be
 3 issued from time to time, an insurance claim or any part
 4 thereof which is paid, on or after the date of enactment of
 5 the Housing Act of 1964, on a mortgage or a loan which
 6 was insured under any section of this Act either before or
 7 after such date. If payment is made in cash, it shall be in
 8 an amount equivalent to the face amount of the debentures
 9 that would otherwise be issued plus an amount equivalent to
 10 the interest which the debentures would have earned, com-
 11 puted to a date to be established pursuant to regulations
 12 issued by the Commissioner."

13 **LOW-COST HOUSING IN OUTLYING AREAS**

14 **SEC. 503.** Section 203(i) of the National Housing
 15 Act is amended by striking out "\$9,000" and inserting in
 16 lieu thereof "\$11,000".

17 **CHANGES IN FHA INSURANCE BENEFITS AND**
 18 **SIMPLIFICATION OF PAYMENT PROCEDURES**

19 **SEC. 504.** (a) Section 204 of the National Housing Act
 20 is amended by—

21 (1) striking out in the third sentence of subsec-
 22 tion (a) the words "insurance on the mortgaged prop-
 23 erty, and any mortgage insurance premiums paid after
 24 either of such dates" and inserting in lieu thereof the
 25 following: "charges for the administration, operation,

1 maintenance and repair of community-owned property
2 or the maintenance and repair of the mortgaged prop-
3 erty, the obligation for which arises out of a covenant
4 filed for record and approved by the Commissioner prior
5 to the insurance of the mortgage, insurance on the mort-
6 gaged property, and any mortgage insurance premiums”;

7 (2) inserting after the colon following the second
8 proviso of subsection (a) two additional provisos as
9 follows: “*And provided further, That with respect to a*
10 *mortgage accepted for insurance pursuant to a commit-*
11 *ment issued on or after the date of enactment of the*
12 *Housing Act of 1964, the Commissioner may include*
13 *in debentures or in the cash payment an amount not*
14 *to exceed the foreclosure, acquisition, and conveyance*
15 *costs actually paid by the mortgagee and approved by*
16 *the Commissioner: And provided further, That with*
17 *respect to a mortgage accepted for insurance pursuant to*
18 *a commitment issued prior to the date of enactment of*
19 *the Housing Act of 1964, the Commissioner may, with*
20 *the consent of the mortgagee (in lieu of issuing a cer-*
21 *tificate of claim as provided in subsection (c)), in-*
22 *clude in debentures or in the cash payment, in addition*
23 *to amounts otherwise allowed for such costs, an amount*
24 *not to exceed one-third of the total foreclosure, acqui-*
25 *sition, and conveyance costs actually paid by the mort-*

1 gagee and approved by the Commissioner, but in no
2 event may the total allowance for such costs exceed the
3 amount actually paid by the mortgagee:";

4 ~~(3)~~ striking out "and the payment of insurance
5 premiums" in the third proviso in subsection ~~(a)~~ (as
6 numbered prior to the amendment made by paragraph
7 ~~(2)~~); and by inserting before the colon at the end of
8 such proviso the following: "*∴ And provided further,*
9 *That where the claim is paid in cash there shall be*
10 *included in the cash payment an amount equivalent to*
11 *the compensation for loss of debenture interest that*
12 *would be included in computing debentures if such claim*
13 *were being paid in debentures*";

14 ~~(4)~~ striking out "\$50" in the second sentence of
15 subsection ~~(c)~~ and inserting in lieu thereof "\$350";

16 ~~(6)~~ striking out in the second sentence of subsec-
17 tion ~~(d)~~ "*∴*, except that debentures issued pursuant to
18 the provisions of section 220~~(f)~~, section 221~~(g)~~, and
19 section 223 may be dated as of the date the mortgage is
20 assigned ~~(or the property is conveyed)~~ to the Commis-
21 sioner, and" and inserting in lieu thereof "*∴ Provided,*
22 *That debentures issued pursuant to claims for insurance*
23 *filed on or after the date of enactment of the Housing*
24 *Act of 1964 shall be dated as of the date of default*
25 *or as of such later date as the Commissioner, in his*

1 discretion, may establish by regulation. The debentures";

3 ~~(6)~~ inserting "~~(1)~~" after "~~(e)~~" in subsection
4 ~~(e)~~; striking out "The certificate" in such subsection
5 and inserting in lieu thereof "Subject to paragraph ~~(2)~~,
6 the certificate"; and adding at the end of such subsection
7 a new paragraph as follows:

8 "~~(2)~~ A certificate of claim shall not be issued and the
9 provisions of paragraph ~~(1)~~ of this subsection shall not be
10 applicable in the case of a mortgage accepted for insurance
11 pursuant to a commitment issued on or after the date of
12 enactment of the Housing Act of 1964.";

13 ~~(7)~~ striking out the first paragraph of subsection
14 ~~(f)~~ and inserting in lieu thereof the following:

15 "~~(f)~~ ~~(1)~~ If, after deducting (in such manner and
16 amount as the Commissioner shall determine to be equitable
17 and in accordance with sound accounting practice) the expenses
18 incurred by the Commissioner, the net amount
19 realized from any property conveyed to the Commissioner
20 under this section and the claims assigned therewith exceed
21 the face value of the debentures issued and the cash
22 paid in exchange for such property plus all interest paid on
23 such debentures, such excess shall be divided as follows:";

24 ~~(8)~~ redesignating the second paragraph of subsection
25 ~~(f)~~ as paragraph ~~(i)~~, and striking out "207; and"

1 at the end of the paragraph and inserting in lieu thereof
 2 the following: “207: *Provided*, That on and after the
 3 date of enactment of the Housing Act of 1964, any
 4 excess remaining after payment to the holder of the full
 5 amount of the certificate of claim, together with the
 6 accrued interest increment thereon, shall be retained by
 7 the Commissioner and credited to the applicable insur-
 8 ance fund; and”;

9 ~~(9)~~ redesignating the third paragraph of sub-
 10 section ~~(f)~~ as paragraph ~~(ii)~~;

11 ~~(10)~~ designating the last paragraph of subsection
 12 ~~(f)~~ as paragraph ~~(2)~~ and inserting the following before
 13 the period at the end thereof: “: *Provided*, That the
 14 settlement authority created by the Housing Amend-
 15 ments of 1955 shall be terminated with respect to any
 16 certificates of claim outstanding as of the date of enact-
 17 ment of the Housing Act of 1964”; and

18 ~~(11)~~ inserting at the end of subsection ~~(f)~~ a new
 19 paragraph as follows:

20 “~~(3)~~ With the consent of the holder thereof, the Com-
 21 missioner is authorized, without awaiting the final liquidation
 22 of the Commissioner’s interest in the property, to settle any
 23 certificate of claim issued pursuant to subsection ~~(c)~~, with
 24 respect to which settlement had not been effected prior to
 25 the date of enactment of the Housing Act of 1964, by making

1 payment in cash to the holder thereof of such amount not
 2 exceeding the face amount of the certificate of claim, together
 3 with the accrued interest thereon, as the Commissioner may
 4 consider appropriate: *Provided*, That in any case where the
 5 certificate of claim is settled in accordance with the provisions
 6 of this paragraph, any amounts realized after the date of
 7 enactment of the Housing Act of 1964, in the liquidation of
 8 the Commissioner's interest in the property, shall be retained
 9 by the Commissioner and credited to the applicable insurance
 10 fund."

11 ~~(b)~~ Section 207(g) of such Act is amended by adding
 12 at the end thereof the following: "Notwithstanding any
 13 other provision of this Act, upon receipt, after the date of
 14 enactment of the Housing Act of 1964, of an application for
 15 insurance benefits on a mortgage insured under this section,
 16 the Commissioner may terminate the mortgagee's obligation
 17 to pay premium charges on the mortgage."

18 ~~(c)(1)~~ Sections 203(k), 220(f)(3), 220(h)(6),
 19 and 233(g) of such Act are each amended by adding at
 20 the end thereof the following: "If the insurance payment
 21 is made in cash, there shall be added to such payment an
 22 amount equivalent to the interest which the debentures
 23 would have earned, computed to a date to be established
 24 pursuant to regulations issued by the Commissioner."

25 ~~(2)~~ Section 221(g)(3) of such Act is amended by

1 striking out “; or” at the end thereof and inserting in lieu
 2 thereof a period and the following: “If the insurance is paid
 3 in cash, there shall be added to such payment an amount
 4 equivalent to the interest which the debentures would have
 5 earned, computed to a date to be established pursuant to
 6 regulations issued by the Commissioner.”

7 ~~(d)~~ Section 604 of the National Housing Act is
 8 amended by—

9 ~~(1)~~ inserting after the colon following the first pro-
 10 viso in subsection ~~(a)~~ an additional proviso as follows:
 11 “*Provided further*, That with respect to any debentures
 12 issued on or after the date of enactment of the Housing
 13 Act of 1964, the Commissioner may, with the consent
 14 of the mortgagee ~~(in lieu of issuing a certificate of claim~~
 15 ~~as provided in subsection (e))~~, include in debentures, in
 16 addition to amounts otherwise allowed for such costs, an
 17 amount not to exceed one-third of the total foreclosure,
 18 acquisition, and conveyance costs actually paid by the
 19 mortgagee and approved by the Commissioner, but in
 20 no event may the total allowance for such costs exceed
 21 the amount actually paid by the mortgagee.”;

22 ~~(2)~~ striking out “\$50” in the second sentence of
 23 subsection ~~(e)~~ and inserting in lieu thereof “\$350”;

24 ~~(3)~~ striking out “default, and” in the second

1 sentence of subsection ~~(d)~~ and inserting in lieu thereof
 2 the following: "default, except that debentures issued
 3 pursuant to claims for insurance filed on or after the
 4 date of enactment of the Housing Act of 1964, shall be
 5 dated as of the date of default or as of such later date
 6 as the Commissioner, in his discretion, may establish
 7 by regulation. The debentures";

8 ~~(4)~~ striking out the first paragraph of subsection
 9 ~~(f)~~ and inserting in lieu thereof the following:

10 "~~(f)(1)~~ If, after deducting ~~(in such manner and~~
 11 amount as the Commissioner shall determine to be equitable
 12 and in accordance with sound accounting practice) the ex-
 13 penses incurred by the Commissioner, the net amount real-
 14 ized from any property conveyed to the Commissioner under
 15 this section and the claims assigned therewith exceed the
 16 face value of the debentures issued and the cash paid in
 17 exchange for such property plus all interest paid on such
 18 debentures, such excess shall be divided as follows:";

19 ~~(5)~~ redesignating the second paragraph of sub-
 20 section ~~(f)~~ as paragraph ~~(i)~~, and striking out "prop-
 21 erty; and" at the end of the paragraph and inserting in
 22 lieu thereof the following: "property: *Provided*, That
 23 on and after the date of enactment of the Housing Act
 24 of 1964, any excess remaining after payment to the

1 holder of the full amount of the certificate of claim shall
 2 be retained by the Commissioner and credited to the
 3 War Housing Insurance Fund; and”;

4 ~~(6)~~ redesignating the third paragraph of subsection
 5 ~~(f)~~ as paragraph ~~(ii)~~;

6 ~~(7)~~ designating the last paragraph of subsection
 7 ~~(f)~~ as paragraph ~~(2)~~ and inserting the following before
 8 the period at the end thereof: “: *Provided*, That the
 9 settlement authority created by the Housing Amend-
 10 ments of 1955 shall be terminated with respect to any
 11 certificate of claim outstanding as of the date of enact-
 12 ment of the Housing Act of 1964”; and

13 ~~(8)~~ inserting at the end of subsection ~~(f)~~ a new
 14 paragraph as follows:

15 “~~(3)~~ With the consent of the holder thereof, the Com-
 16 missioner is authorized to settle, without awaiting the final
 17 liquidation of the Commissioner’s interest in the property,
 18 any certificate of claim issued pursuant to subsection ~~(e)~~,
 19 with respect to which a settlement had not been effected
 20 prior to the date of enactment of the Housing Act of 1964,
 21 by making payment in cash to the holder thereof of such
 22 amount, not exceeding the face amount of the certificate of
 23 claim, together with the accrued interest increment thereon,
 24 as the Commissioner may consider appropriate: *Provided*,
 25 That in any case where the certificate of claim is settled in

1 accordance with the provisions of this paragraph, any
 2 amounts realized after the date of enactment of the Housing
 3 Act of 1964, in the liquidation of the Commissioner's interest
 4 in the property, shall be retained by the Commissioner and
 5 credited to the applicable insurance fund."

6 ~~(e)~~ Section 904 of such Act is amended by—

7 (1) inserting after the colon following the first
 8 proviso in subsection ~~(a)~~ an additional proviso as fol-
 9 lows: "*Provided further*, That with respect to any
 10 debentures issued on or after the date of enactment of
 11 the Housing Act of 1964, the Commissioner may, with
 12 the consent of the mortgagee ~~(in lieu of issuing a cer-~~
 13 ~~tificate of claim as provided in subsection (e))~~, include
 14 in debentures, in addition to amounts otherwise allowed
 15 for such costs, an amount not to exceed one-third of
 16 the total foreclosure, acquisition, and conveyance costs
 17 actually paid by the mortgagee and approved by the
 18 Commissioner, but in no event may the total allow-
 19 ance for such costs exceed the amount actually paid by
 20 the mortgagee:";

21 (2) striking out "\$50" in the second sentence of
 22 subsection ~~(e)~~ and inserting in lieu thereof "\$350";
 23 and

24 (3) striking out "default, and" in the second sen-
 25 tence of subsection ~~(d)~~ and inserting in lieu thereof the

1 following: "default, except that debentures issued pur-
 2 suant to claims for insurance filed on or after the date
 3 of enactment of the Housing Act of 1964 shall be
 4 dated as of the date of default or as of such later date
 5 as the Commissioner, in his discretion, may establish
 6 by regulation. The debentures".

7 ELIMINATION OF MANDATORY ACQUISITION OR FORE-
 8 CLOSURE WITHIN ONE YEAR OF MULTIFAMILY
 9 PROJECT IN DEFAULT

10 SEC. 505. Section 207(k) of the National Housing Act
 11 is amended by striking out the second sentence.

12 ROOM COUNT LIMITATIONS IN FHA MULTIFAMILY
 13 PROGRAMS

14 SEC. 506. (a) Section 207 of the National Housing Act
 15 is amended by striking out the first paragraph of subsection
 16 (c) (3) and inserting in lieu thereof the following:

17 "(3) Not to exceed, for such part of the property or
 18 project as may be attributable to dwelling use (excluding
 19 exterior land improvements as defined by the Commissioner),
 20 \$9,000 per family unit without a bedroom, \$12,500 per
 21 family unit with one bedroom, \$15,000 per family unit with
 22 two bedrooms, and \$18,500 per family unit with three or
 23 more bedrooms or not to exceed \$1,800 per space or
 24 \$500,000 per mortgage for trailer courts or parks: *Pro-*
 25 *vided*, That as to projects to consist of elevator-type struc-

tures, the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for higher costs incident to the construction of elevator-type structures of sound standards of construction and design; except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require.”.

(b) Section 213 of such Act is amended by striking out in subsection (b) (2) all that follows “(2)” down through the second proviso and inserting in lieu thereof the following: “not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms, and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided*, That as to projects to con-

1 consist of elevator-type structures, the Commissioner may, in his
 2 discretion, increase the dollar amount limitations per family
 3 unit to not to exceed \$10,500 per family unit without a bed-
 4 room, \$15,000 per family unit with one bedroom, \$18,000
 5 per family unit with two bedrooms, and \$22,500 per family
 6 unit with three or more bedrooms, as the case may be, to
 7 compensate for higher costs incident to the construction of
 8 elevator-type structures of sound standards of construction
 9 and design: *Provided further*, That the Commissioner may,
 10 by regulation, increase any of the foregoing dollar amount
 11 limitations by not to exceed 45 per centum in any geographi-
 12 cal area where he finds that cost levels so require.”.

13 (c) Section 220 of such Act is amended by striking
 14 out in subsection (d) (3) (B) (iii) all that follows “(iii)”
 15 down through the second proviso and inserting in lieu thereof
 16 the following: “not to exceed, for such part of the property
 17 or projects as may be attributable to dwelling use (exclud-
 18 ing exterior land improvements as defined by the Commis-
 19 sioner), \$9,000 per family unit without a bedroom, \$12,500
 20 per family unit with one bedroom, \$15,000 per family unit
 21 with two bedrooms, and \$18,500 per family unit with three
 22 or more bedrooms: *Provided*, That as to projects to consist
 23 of elevator-type structures, the Commissioner may, in his
 24 discretion, increase the dollar amount limitations per family
 25 unit to not to exceed \$10,500 per family unit without a

1 bedroom, \$15,000 per family unit with one bedroom,
 2 \$18,000 per family unit with two bedrooms, and \$22,500
 3 per family unit with three or more bedrooms, as the case
 4 may be, to compensate for higher costs incident to the con-
 5 struction of elevator-type structures of sound standards of
 6 construction and design: *Provided further*, That the Com-
 7 missioner may, by regulation, increase any of the foregoing
 8 dollar amount limitations by not to exceed 45 per centum in
 9 any geographical area where he finds that cost levels so
 10 require:”.

11 ~~(d)~~ Section 221 of such Act is amended by—

12 ~~(1)~~ striking out clause ~~(ii)~~ of subsection ~~(d)~~(3)
 13 and inserting in lieu thereof the following:

14 “~~(ii)~~ not to exceed, for such part of the property as
 15 may be attributable to dwelling use (excluding exterior
 16 land improvements as defined by the Commissioner),
 17 \$8,000 per family unit without a bedroom, \$11,250 per
 18 family unit with one bedroom, \$13,500 per family unit
 19 with two bedrooms, and \$17,000 per family unit with
 20 three or more bedrooms; except that as to projects to
 21 consist of elevator-type structures, the Commissioner
 22 may, in his discretion, increase the dollar amount limita-
 23 tions per family unit to not to exceed \$9,500 per family
 24 unit without a bedroom, \$13,500 per family unit with
 25 one bedroom, \$16,000 per family unit with two bed-

1 rooms, and \$20,000 per family unit with three or more
 2 bedrooms, as the case may be, to compensate for higher
 3 costs incident to the construction of elevator-type struc-
 4 tures of sound standards of construction and design; and
 5 except that the Commissioner may, by regulation, in-
 6 crease any of the foregoing dollar amount limitations
 7 contained in this paragraph by not to exceed 45 per
 8 centum in any geographical area where he finds that
 9 cost levels so require; and"; and

10 ~~(2)~~ striking out clause ~~(ii)~~ in subsection ~~(d)~~ (4)
 11 and inserting in lieu thereof the following:

12 "~~(ii)~~ not to exceed, for such part of the property as
 13 may be attributable to dwelling use (excluding exterior
 14 land improvements as defined by the Commissioner),
 15 \$8,000 per family unit without a bedroom, \$11,250 per
 16 family unit with one bedroom, \$13,500 per family unit
 17 with two bedrooms, and \$17,000 per family unit with
 18 three or more bedrooms; except that as to projects to
 19 consist of elevator-type structures, the Commissioner
 20 may, in his discretion, increase the dollar amount limi-
 21 tations per family unit to not to exceed \$9,500 per
 22 family unit without a bedroom, \$13,500 per family unit
 23 with one bedroom, \$16,000 per family unit with two
 24 bedrooms, and \$20,000 per family unit with three or
 25 more bedrooms, as the case may be, to compensate for

1 higher costs incident to the construction of elevator-type
 2 structures of sound standards of construction and design;
 3 and except that the Commissioner may, by regulation, in-
 4 crease any of the foregoing dollar amount limitations
 5 contained in this paragraph by not to exceed 45 per
 6 centum in any geographical area where he finds that cost
 7 levels so require;”

8 ~~(c)~~ Section 231(c)-(2) of such Act is amended to read
 9 as follows:

10 “~~(2)~~ not to exceed, for such part of the property
 11 or project as may be attributable to dwelling use (ex-
 12 cluding exterior land improvements as defined by the
 13 Commissioner), \$8,000 per family unit without a bed-
 14 room, \$11,250 per family unit with one bedroom,
 15 \$13,500 per family unit with two bedrooms, and
 16 \$17,000 per family unit with three or more bedrooms:
 17 *Provided*, That as to projects to consist of elevator-type
 18 structures, the Commissioner may, in his discretion, in-
 19 crease the dollar amount limitations per family unit to
 20 not to exceed \$9,500 per family unit without a bedroom,
 21 \$13,500 per family unit with one bedroom, \$16,000 per
 22 family unit with two bedrooms, and \$20,000 per family
 23 unit with three or more bedrooms, as the case may be,
 24 to compensate for higher costs incident to the construe-

tion of elevator-type structures of sound standards of
construction and design; except that the Commissioner
may, by regulation, increase any of the foregoing dollar
amount limitations contained in this paragraph by not
to exceed 45 per centum in any geographical area where
he finds that cost levels so require;".

7 ~~(f)~~ Section 810 of such Act is amended by striking out
8 in subsection ~~(f)~~ all that follows “or ~~(2)~~” and inserting in
9 lieu thereof the following: “not to exceed, for such part of
10 the property or project as may be attributable to dwelling
11 use, \$9,000 per family unit without a bedroom, \$12,500 per
12 family unit with one bedroom, \$15,000 per family unit with
13 two bedrooms, and \$18,500 per family unit with three or
14 more bedrooms, and not to exceed 90 per centum of the esti-
15 mated value of the property or project when the proposed
16 physical improvements are completed. The Commissioner
17 may, by regulation, increase any of the foregoing dollar
18 amount limitations contained in this paragraph by not to
19 exceed 45 per centum in any geographical area where he
20 finds that cost levels so require.”

21 FHA SECTION 221 HOUSING FOR LOW- OR MODERATE-
22 INCOME PERSONS

23 SEC. 507. (a) Section 221(c) of the National Housing
24 Act is amended by adding at the end thereof the following:
25 "Any person sixty-two years of age or over may be construed

1 to be a family within the meaning of the terms 'family' or
2 'families' as those terms are used in this section."

3 ~~(b)-(1)~~ Section 221 ~~(d)-(3)~~ of such Act is amended by
4 inserting after "or association" the following: "~~or other~~
5 mortgagor approved by the Commissioner, and".

6 ~~(2)~~ Subsection ~~(c)~~ of section 221 of such Act is
7 amended to read as follows:

8 "~~(c)-(1)~~ A mortgagor which may be approved by the
9 Commissioner as provided in subsection ~~(d)-(3)~~ includes a
10 mortgagor which, as a condition of obtaining insurance of
11 the mortgage and prior to the submission of its application
12 for such insurance, has entered into an agreement ~~(in form~~
13 and substance satisfactory to the Commissioner) with a
14 private nonprofit corporation eligible for an insured mort-
15 gage under the provisions of subsection ~~(d)-(3)~~, that the
16 mortgagor will sell the project when it is completed to the
17 corporation at the actual cost of the project, as certified
18 pursuant to section 227 of this Act. The mortgagor to
19 whom the property is sold shall be regulated or supervised
20 by the Commissioner as provided in subsection ~~(d)-(3)~~ to
21 effectuate its purposes.

22 "~~(2)~~ The Commissioner may at any time, under such
23 terms and conditions as he may prescribe, consent to the
24 release of the mortgagor from his liability under the mortgage
25 or the credit instrument secured thereby, or consent to the

1 release of parts of the mortgaged property from the lien
2 of the mortgage."

3 ~~(e)~~ The last sentence of section 221(f) of such Act is
4 amended by striking out "July 1, 1965", each place it
5 appears, and inserting in lieu thereof "September 30, 1965".

6 MORTGAGE INSURANCE FOR SERVICEMEN

7 SEC. 508. Section 222(b) of the National Housing Act
8 is amended by—

9 ~~(1)~~ striking out in paragraph ~~(1)~~ "203(b) or
10 203(i)" and inserting in lieu thereof "203(b), 203(i),
11 or 221(d)(2),"; and

12 ~~(2)~~ striking out in paragraph ~~(2)~~ "such principal
13 obligation shall not exceed \$9,000" and inserting in lieu
14 thereof "~~or section 221(d)(2)~~ such principal obliga-
15 tion shall not exceed the maximum limits prescribed for
16 those sections".

17 PRIVATE FINANCING OF SALE OF FHA-ACQUIRED

18 PROPERTIES

19 SEC. 509. Section 223(c) of the National Housing Act
20 is amended by striking out "limitation upon eligibility con-
21 tained in this title II" and inserting in lieu thereof the fol-
22 lowing: "limitations or requirements contained in title II
23 upon the eligibility of the mortgage, the payment of insur-
24 ance premiums, or upon the terms and conditions of insur-

1 ance settlements and the benefits of the insurance to be
2 included in such settlement”.

3 EXPERIMENTAL HOUSING

4 SEC. 510. Section 233 of the National Housing Act is
5 amended by—

6 (1) striking out in the parenthetical phrase in sub-
7 section (a) the following: “, in the case of mortgages
8 insured under (b)-(2) of this section, ”;

9 (2) striking out subsection (b) and inserting in
10 lieu thereof the following:

11 “(b) To be eligible for insurance under this section, a
12 mortgage shall meet the requirements of one of the other
13 sections of this title, except that, in determining the ap-
14 praised value or the replacement cost of the property in
15 cases involving new construction or the estimated cost of
16 repair and rehabilitation or improvement in cases involving
17 existing properties, the Commissioner’s estimate may be
18 based upon an estimate of the cost of replacing property
19 using comparable conventional design, materials, and con-
20 struction, and any limitation upon the maximum mortgage
21 amount available to a nonoccupant owner shall not, in
22 the discretion of the Commissioner, be applicable to mort-
23 gages insured under this section.”;

1 ~~(3)~~ striking out subsections ~~(e)~~ and ~~(f)~~ and
2 inserting in lieu thereof the following:

3 “~~(e)~~ Any Mortgagee under a mortgage or a home
4 improvement loan insured under subsection ~~(b)~~ of this
5 section shall be entitled to insurance benefits determined
6 in the same manner as such benefits would be determined
7 if such mortgage or loan were insured under the section of
8 this title for which it otherwise would have been eligible
9 except for the experimental feature of the property
10 involved.”;

11 ~~(4)~~ redesignating subsections ~~(g)~~ and ~~(h)~~ as sub-
12 sections ~~(f)~~ and ~~(g)~~, respectively; and

13 ~~(5)~~ striking out “subsections ~~(e)~~ and ~~(f)~~” in the
14 first sentence of subsection ~~(f)~~ (as redesignated by
15 paragraph ~~(4)~~) and inserting in lieu thereof “subsec-
16 tion ~~(e)~~”.

17 MORTGAGE INSURANCE FOR CONDOMINIUMS

18 SEC. 511. ~~(a)~~ Section 234 of the National Housing Act
19 is amended by—

20 ~~(1)~~ striking out the heading and inserting in lieu
21 thereof “MORTGAGE INSURANCE FOR CONDOMINIUMS”;

22 ~~(2)~~ striking out “structure”, each place it appears,
23 and inserting in lieu thereof “project”;

24 ~~(3)~~ striking out in subsection ~~(b)~~ “the term ‘mort-
25 gage’ for the purposes of this section” and inserting in

lieu thereof "the term 'mortgage' for the purposes of subsection (e)";

(4) striking out "this section", each place it appears in subsection (e), and inserting in lieu thereof "this subsection", and striking out "under another section" in clause (2) of the first sentence of subsection (e) and inserting in lieu thereof "under any section";

(5) striking out in subsection (e) "section 213", each place it appears, and inserting in lieu thereof "section 213(a) (1) and (2)";

(6) striking out the third sentence of subsection (e) and inserting in lieu thereof the following: "To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed \$25,000, and not to exceed the sum of (i) 97 per centum of \$15,000 of the amount which the Commissioner estimates will be the appraised value of the family including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of \$15,000 but not in excess of \$20,000, and (iii) 75 per centum of such value in excess of \$20,000, and (B) have a maturity satisfactory to the Commissioner, but not to exceed in any event, thirty-five years from the date of the beginning of amortization of the mortgage

1 or three-fourths of the Commissioner's estimate of the
2 remaining economic life of the project, whichever is the
3 lesser."

4 (7) adding after subsection (e) the following new
5 subsections:

6 "(d) In addition to individual mortgages insured under
7 subsection (e) of this section, the Commissioner is
8 authorized, in his discretion and under such terms and con-
9 ditions as he may prescribe, to insure blanket mortgages
10 (including advances on such mortgages during construction)
11 which cover multifamily projects to be constructed or re-
12 habilitated, held by a mortgagor, approved by the Commis-
13 sioner, which—

14 "(1) has certified to the Commissioner, as a condi-
15 tion of obtaining the insurance of a blanket mortgage
16 under this subsection, that upon completion of the multi-
17 family project covered by such mortgage it intends to
18 commit the ownership of the multifamily project to a
19 plan of family unit ownership, under which each family
20 unit would be eligible for individual mortgage insurance
21 under subsection (e) of this section, and will faithfully
22 and diligently make and carry out all reasonable efforts
23 to establish such plan of family unit ownership and to
24 sell such family units to purchasers approved by the
25 Commissioner; and

1 “(2) shall be regulated or restricted by the Com-
2 missioner as to rents, charges, capital structure, rate of
3 return, and methods of operation until the termination
4 of all obligations of the Commissioner under the insur-
5 ance and during such further period of time as the
6 Commissioner shall be the owner, holder, or reinsurer
7 of the mortgage. The Commissioner may make such
8 contracts with and acquire, for not to exceed \$100,
9 such stock or interest in such mortgagor as he may
10 deem necessary to render effective the regulation and
11 restriction of such mortgagor. The stock or interest
12 acquired by the Commissioner shall be paid for out of
13 the Apartment Unit Insurance Fund, and shall be re-
14 deemed by the mortgagor at par at any time upon the
15 request of the Commissioner after the termination of
16 all obligations of the Commissioner under the insurance.

17 “(e) To be eligible for insurance, a blanket mortgage
18 on any multifamily property or project of a mortgagor of the
19 character described in subsection (d) of this section shall in-
20 volve a principal obligation in an amount—

21 “(1) Not to exceed \$20,000,000, or not to exceed
22 \$25,000,000, if the mortgage is executed by a mort-
23 gagor regulated or supervised under Federal or State
24 laws or by political subdivisions of States or agencies
25 thereof, as to rents, charges, and methods of operation;

1 “(2) not to exceed 90 per centum of the amount
2 which the Commissioner estimates will be the replace-
3 ment cost of the project when the proposed physical
4 improvements are completed;

5 “(3) not to exceed, for such part of the property
6 or project as may be attributable to dwelling use (ex-
7 cluding exterior land improvements as defined by the
8 Commissioner), \$9,000 per family unit without a bed-
9 room, \$12,500 per family unit with one bedroom,
10 \$15,000 per family unit with two bedrooms, and
11 \$18,500 per family unit with three or more bedrooms:
12 *Provided*, That as to projects to consist of elevator-type
13 structures, the Commissioner may, in his discretion, in-
14 crease the dollar amount limitations per family unit to
15 not to exceed \$10,500 per family unit without a bed-
16 room, \$15,000 per family unit with one bedroom,
17 \$18,000 per family unit with two bedrooms, and \$22,500
18 per family unit with three or more bedrooms, as the
19 case may be, to compensate for higher costs incident
20 to the construction of elevator-type structures of sound
21 standards of construction and design; except that the
22 Commissioner may, by regulation, increase any of the
23 foregoing dollar amount limitations contained in this
24 paragraph by not to exceed 45 per centum in any geo-

graphical area where he finds that cost levels so require;
and

~~“(4) not to exceed an amount equal to the sum
of the unit mortgage amounts determined under the provisions of subsection (c) assuming the mortgagor to be the owner and occupant of each family unit.~~

~~“(f) Any blanket mortgage insured under subsection (d) of this section shall provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed $5\frac{1}{4}$ per centum per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the blanket mortgage upon such terms and conditions as he may prescribe, and the blanket mortgage may provide for such release. The property or project covered by the blanket mortgage may include five or more family units and such commercial and community facilities as the Commissioner deems adequate to serve the occupants.”;~~

~~(8) redesignating subsection (d) (as it existed prior to the amendments made by paragraph (7)) as~~

1 subsection ~~(g)~~; striking out “this section” each place
 2 it appears therein and inserting in lieu thereof “subsec-
 3 tion ~~(e)~~ of this section”; and striking out therein “sec-
 4 tion 204 ~~(f)~~ ~~(1)~~” and inserting in lieu thereof “section
 5 204 ~~(f)~~ ~~(1)~~ ~~(i)~~;

6 ~~(9)~~ inserting after subsection ~~(g)~~ (as redesignated
 7 pursuant to paragraph ~~(8)~~) the following new subsec-
 8 tion:

9 “~~(h)~~ The provisions of subsections ~~(d)~~, ~~(e)~~, ~~(g)~~, ~~(h)~~,
 10 ~~(i)~~, ~~(j)~~, ~~(k)~~, ~~(l)~~, ~~(m)~~, ~~(n)~~, and ~~(p)~~ of section 207 shall
 11 be applicable to mortgages insured under subsection ~~(d)~~ of
 12 this section, except that all references to the Housing Insur-
 13 ance Fund, or Housing Fund, shall be construed to refer to
 14 the Apartment Unit Insurance Fund.”;

15 ~~(10)~~ redesignating subsection ~~(e)~~ (as it existed
 16 prior to the amendments made by paragraph ~~(7)~~) as
 17 subsection ~~(i)~~; and

18 ~~(11)~~ redesignating subsection ~~(f)~~ (as it existed
 19 prior to the amendments made by paragraph ~~(7)~~) as
 20 subsection ~~(j)~~ and amending the subsection to read as
 21 follows:

22 “~~(j)~~ The provisions of sections 225 and 230 shall be
 23 applicable to the mortgages insured under subsection ~~(e)~~ of
 24 this section.”

25 ~~(b)~~ Section 212 ~~(a)~~ of such Act is amended by adding

1 at the end thereof a new sentence as follows: "The provi-
 2 sions of this section shall also apply to the insurance of any
 3 mortgage under section 234(d)."

4 ~~(c)~~ Section 227(a) of such Act is amended by striking
 5 out "~~or (vii)~~" and inserting in lieu thereof "~~(vii)~~", and
 6 by adding at the end thereof before the semicolon "~~, or~~
 7 ~~(viii)~~ under section 234(d)".

8 TITLE VI—PARTICIPATION IN FNMA POOL OF 9 MORTGAGES

10 POOLING OF MORTGAGES FOR SALE

11 SEC. 601. ~~(a)~~ Section 302 of the Federal National
 12 Mortgage Association Charter Act is amended by adding at
 13 the end thereof a new subsection as follows:

14 "~~(c)~~ Notwithstanding any other provision of this
 15 Act or of any other law, the Association is authorized
 16 under section 306 to create, accept, execute, and other-
 17 wise administer in all respects such trusts, receiverships,
 18 conservatorships, liquidating or other agencies, or other
 19 fiduciary and representative undertakings and activities
 20 as might be appropriate for financing purposes; and in
 21 relation thereto the Association may acquire, hold and
 22 manage, dispose of, and otherwise deal in any mortgages
 23 in which the United States or any agency or instrumen-
 24 tality thereof may have a financial interest. The As-
 25 sociation may join in any such undertakings and activi-

1 ties notwithstanding that it is also serving in a fiduciary
2 or representative capacity; and is authorized, consistent
3 with section 307, to guarantee any participations or
4 other instruments, whether evidence of property rights
5 or debt, issued for such financing purposes. Any partici-
6 pations or other instruments so guaranteed shall to the
7 same extent as securities issued or guaranteed by the
8 United States or its instrumentalities be deemed to be ex-
9 empt securities within the meaning of laws administered
10 by the Securities and Exchange Commission. The
11 amounts of any mortgages acquired by the Association
12 under section 306, pursuant to this subsection, shall not
13 be included in the total amounts set forth in section
14 306(e).”

15 ~~(b)-(1)~~ Section 311 of such Act is amended by in-
16 serting after “obligations” the following: “, participations,
17 or other instruments”.

18 ~~(2)~~ Sections 304(b) and 306(b) of such Act are
19 amended respectively by striking out “or obligations which
20 are lawful investments” and inserting in lieu thereof “or
21 obligations, participations, or other instruments which are
22 lawful investments”.

23 ~~(3)~~ Section 310 of such Act is amended by striking
24 out “or in obligations which are lawful investments” and

1 inserting in lieu thereof “or in obligations, participations, or
2 other instruments which are lawful investments”.

3 (c) The penultimate sentence of paragraph Seventh
4 of section 5136 of the Revised Statutes is amended by strik-
5 ing out “or obligations of the Federal National Mortgage
6 Association” and inserting in lieu thereof “or obligations,
7 participations, or other instruments of or issued by the
8 Federal National Mortgage Association”.

9 (d) (1) Section 11(h) of the Federal Home Loan
10 Bank Act is amended by striking out “in obligations of the
11 Federal National Mortgage Association” and inserting in lieu
12 thereof “in obligations, participations, or other instruments
13 of or issued by the Federal National Mortgage Association”.

14 (2) The last sentence of section 16 of such Act is
15 amended by striking out “in obligations of the Federal Na-
16 tional Mortgage Association” and inserting in lieu thereof “in
17 obligations, participations, or other instruments of or issued
18 by the Federal National Mortgage Association”.

19 (e) The first paragraph of section 5(c) of the Home
20 Owners' Loan Act of 1933 is amended by striking out “or
21 in the obligations of the Federal National Mortgage Associa-
22 tion” and inserting in lieu thereof “or in obligations, partici-
23 pations, or other instruments of or issued by the Federal
24 National Mortgage Association”.

1 ~~(f) (1)~~ Section 1820 of title 38, United States Code,
2 is amended by adding at the end thereof the following new
3 subsection:

4 ~~“(c) (1)~~ The Administrator is authorized from
5 time to time, as he determines advisable, to set aside
6 mortgage loans, including installment sale contracts,
7 owned and held by him under this chapter as the basis
8 for the sale of participation certificates as herein pro-
9 vided. For this purpose the Administrator may enter
10 into agreements, including trust agreements, with the
11 Federal National Mortgage Association, and any other
12 Federal agency, under which the Association as fiduciary
13 may sell certificates of participation based on principal
14 and interest collections to be received by the Admin-
15 istrator and the Association or any other such agency
16 on mortgage loans and installment sale contracts com-
17 prising mortgage pools established by them. The
18 agreement may provide for substitution or withdrawal
19 of mortgage loans, or installment sale contracts, or for
20 substitution of cash for mortgages in the pool. The
21 agreement shall provide that the Federal National Mort-
22 gage Association shall promptly pay to the Adminis-
23 trator the entire proceeds of any sale of certificates of
24 participation to the extent such certificates are based on
25 mortgages, including installment sale contracts, set aside

1 by the Administrator and he shall periodically pay to
2 the Association, as fiduciary, such funds as are required
3 for payment of interest and principal due on outstanding
4 certificates of participation to the extent of the pro rata
5 amount allocated to the Administrator pursuant to
6 the agreement. The agreement shall also provide
7 that the Administrator shall retain ownership of mort-
8 gage loans and installment sale contracts set aside by
9 him pursuant to the agreement unless transfer of owner-
10 ship to the fiduciary is required in the event of default
11 or probable default in the payment of participation cer-
12 tificates. The Administrator is authorized to purchase
13 outstanding certificates of participation to the extent of
14 the amount of his commitment to the fiduciary on par-
15 ticipations outstanding and to pay his proper share of
16 the costs and expenses incurred by the Federal National
17 Mortgage Association as fiduciary pursuant to the
18 agreement.

19 “(2) The Administrator shall proportionately allo-
20 cate and deposit the entire proceeds received from the
21 sale of participations into the funds established pursuant
22 to sections 1823 and 1824 of this chapter, as determined
23 on an estimated basis, and the amounts so deposited
24 shall be available for the purposes of the funds. The

1 Administrator may nevertheless make such allocations
2 of that part of the proceeds of participation sales repre-
3 senting- anticipated- interest- collections- on- mortgage
4 loans, including installment sale contracts, on other than
5 an estimated proportionate basis if determined necessary
6 to assure payment of interest on advances theretofore
7 made to the Administrator by the Secretary of the
8 Treasury for direct loan purposes. The Administrator
9 shall set aside and maintain necessary reserves in the
10 funds established pursuant to sections 1823 and 1824 of
11 this chapter to be used for meeting commitments pur-
12 suant to this subsection and, as he determines to be
13 necessary, for meeting interest payments on advances
14 by the Secretary of the Treasury for direct loan pur-
15 poses.”

16 ~~(2)~~ Section 1823 of title 38, United States Code, is
17 amended by—

18 ~~(1)~~ inserting before the period at the end of the
19 last sentence of subsection ~~(a)~~ the following: “, and a
20 reasonable reserve for meeting commitments pursuant to
21 subsection 1820(e) of this title”; and

22 ~~(2)~~ inserting before the period at the end of the last
23 sentence of subsection ~~(c)~~ the following: “and for the
24 purposes of meeting commitments under subsection 1820
25 ~~(c)~~ of this title”.

1 TITLE VII—RURAL HOUSING

2 EXTENSION OF RURAL HOUSING PROGRAMS

3 SEC. 701. (a) The second sentence of section 511 of
4 the Housing Act of 1949 is amended by—

5 (1) striking out “June 30, 1965” and inserting in
6 lieu thereof “September 30, 1965”; and

7 (2) striking out “\$700,000,000” and inserting in
8 lieu thereof “\$850,000,000”.

9 (b) Section 512 of such Act is amended by striking out
10 “June 30, 1965” and inserting in lieu thereof “September
11 30, 1965”.

12 (c) Section 513 of such Act is amended by striking out
13 “June 30, 1965”, each place it appears, and inserting in
14 lieu thereof “September 30, 1965”.

15 (d) Section 515(b) of such Act is amended by—

16 (1) striking out “\$100,000” in clause (1) and
17 inserting in lieu thereof “\$300,000”; and

18 (2) striking out “1964” in clause (5) and inserting
19 in lieu thereof “1965”.

20 DEFINITION OF DOMESTIC FARM LABOR

21 SEC. 702. Clause (3) of section 514(f) of the Housing
22 Act of 1949 is amended to read as follows: “(3) the term
23 ‘domestic farm labor’ means persons who receive a substan-
24 tial portion (as determined by the Secretary) of their in-
25 come as laborers on farms situated in the United States and

1 either ~~(A)~~ are citizens of the United States, or ~~(B)~~ reside
 2 in the United States after being legally admitted for per-
 3 manent residence therein.”

4 LOW-RENT HOUSING FOR DOMESTIC FARM LABOR

5 SEC. 703. ~~(a)~~ Title V of the Housing Act of 1949 is
 6 amended by adding at the end thereof the following new
 7 section:

8 “FINANCIAL ASSISTANCE TO PROVIDE LOW-RENT HOUSING
 9 FOR DOMESTIC FARM LABOR

10 “SEC. 516. ~~(a)~~ Upon the application of any State or
 11 political subdivision thereof, or any public or private non-
 12 profit organization, the Secretary is authorized to provide
 13 financial assistance for the provision of low-rent housing and
 14 related facilities for domestic farm labor, if he finds that—

15 “~~(1)~~ the housing and related facilities for which
 16 financial assistance is requested will fulfill a pressing
 17 need in the area in which such housing and facilities
 18 will be located, and there is reasonable doubt that the
 19 same can be provided without financial assistance under
 20 this section;

21 “~~(2)~~ the applicant will contribute, from its own
 22 resources or from funds borrowed under section 514 or
 23 elsewhere, at least one-third of the total development
 24 cost;

25 “~~(3)~~ the types of housing and related facilities to

1 be provided are most practical, giving due consideration
2 to the purposes to be served thereby and the needs of
3 the occupants thereof; and

4 “(4) the construction will be undertaken in an
5 economical manner, and the housing and related facil-
6 ities will not be of elaborate or extravagant design or
7 material.

8 “(b) The amount of any financial assistance provided
9 under this section for low-rent housing and related facilities
10 shall not exceed two-thirds of the total development cost
11 thereof, as determined by the Secretary, less such amount
12 as the Secretary determines can be practically obtained
13 from other sources (including a loan under section 514).

14 “(c) No financial assistance for low-rent housing and
15 related facilities shall be made available under this section
16 unless, to any extent and for any periods required by the
17 Secretary, the applicant agrees—

18 “(1) that the rentals charged domestic farm labor
19 shall not exceed such amounts as may be approved by the
20 Secretary, giving due consideration to the income and
21 earning capacity of the tenants, and the necessary costs
22 of operating and maintaining such housing;

23 “(2) that such housing shall be maintained at all
24 times in a safe and sanitary condition in accordance with
25 such standards as may be prescribed by State or local

1 law, or, in the absence of such standards, in accordance
2 with such minimum requirements as the Secretary shall
3 prescribe; and

4 “(3) an absolute priority will be given at all times
5 in granting occupancy of such housing and facilities to
6 domestic farm labor.

7 “(d) The Secretary may make payments pursuant to
8 any contract for financial assistance under this section at
9 such times and in such manner as may be specified in the
10 contract. In each contract, the Secretary shall include such
11 covenants, conditions, or provisions as he deems necessary to
12 insure that the housing and related facilities, for which
13 financial assistance is made available, be used only in con-
14 formity with the provisions of this section.

15 “(e) The Secretary shall prescribe regulations to insure
16 that Federal funds expended under this section are not wasted
17 or dissipated.

18 “(f) All laborers and mechanics employed by contrac-
19 tors or subcontractors on projects assisted by the Secretary
20 which are undertaken by approved applicants under this sec-
21 tion shall be paid wages at rates not less than those prevail-
22 ing on similar construction in the locality, as determined by
23 the Secretary of Labor in accordance with the Davis-Bacon
24 Act, as amended (40 U.S.C. 276a—276a-5). The Secere-
25 tary shall not extend any financial assistance under this sec-

tion for any project without first obtaining adequate assurance that these labor standards will be maintained on the construction work; except that compliance with such standards may be waived by the Secretary in cases or classes of cases where laborers or mechanics, not otherwise employed at any time on the project, voluntarily donate their services without compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts thereby saved are fully credited to the person, corporation, association, organization, or other entity undertaking the project. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (~~15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15~~), and section 2 of the Act of June 13, 1934, as amended (~~40~~) U.S.C. 276e).

~~“(g) As used in this section—~~

~~“(1) the term ‘low-rent housing’ means rental housing within the financial reach of families of low income consisting of (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement;~~

~~“(2) the terms ‘related facilities’ and ‘domestic~~

1 farm labor' shall have the meaning assigned to them in
2 section 514(f); and

3 ~~“(3) the term ‘development cost’ shall have the~~
4 ~~meaning assigned to it in section 515(d)(4).”~~

5 ~~(b) Section 513 of such Act is amended by redesignat-~~
6 ~~ing clauses “(c)” and “(d)” and clauses “(d)” and “(c)”,~~
7 ~~respectively, and by inserting after the semicolon at the end~~
8 ~~of clause (b) the following: “(c) not to exceed \$10,000,000~~
9 ~~for financial assistance pursuant to section 516 for the period~~
10 ~~ending September 30, 1965;”.~~

11 ~~(e) Section 506(a) of such Act is amended by striking~~
12 ~~out “sections 514 and 515”, each place it appears, and in-~~
13 ~~serting in lieu thereof “sections 514-516”.~~

14 TITLE VIII—MISCELLANEOUS

15 FNMA—PURCHASE OF PARTICIPATIONS

16 SEC. 801. Section 304(d) of the Federal National
17 Mortgage Association Charter Act is hereby repealed.

18 OPEN SPACE PROGRAM—GRANT AUTHORIZATIONS

19 SEC. 802. Section 702(b) of the Housing Act of 1961
20 is amended by—

21 (1) striking out “\$50,000,000” and inserting in
22 lieu thereof “\$75,000,000”; and

23 (2) adding at the end thereof the following: “All
24 funds so appropriated shall remain available until
25 expended.”

HOUSING FOR THE ELDERLY—LOAN AUTHORIZATION

SEC. 803. Section 202(a)(4) of the Housing Act of 1959 is amended by striking out “\$275,000,000” and inserting in lieu thereof “\$350,000,000”.

COLLEGE HOUSING

SEC. 804. The second paragraph of section 404(b) of the Housing Act of 1950 is amended by striking out the period and inserting in lieu thereof the following: “: *Provided*, That where the law of any State in effect on the date of enactment of the Housing Act of 1964 prevents it institution or institutions, for whose students or students and faculty the housing is to be provided, from cosigning the note, the Administrator shall require the corporation and the proposed project to be approved by such institution (or by any one or more of such institutions) in lieu of such cosigning.”

ACQUISITION OF RENTAL HOUSING PROJECT

SEC. 805. The first sentence of section 404(a) of the Housing Amendments of 1955 is amended by inserting before the period at the end thereof the following: “, or (3) any housing situated on or adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) considered by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages

1 insured under section 608 of the National Housing Act, in-
 2 cluding adjacent property constructed primarily to provide
 3 commercial facilities for the occupants of such housing”.

4 FELLOWSHIPS FOR CITY PLANNING AND URBAN STUDIES

5 SEC. 806. There is hereby authorized to be appropriated
 6 not to exceed \$500,000 annually, for a three-year period
 7 commencing on July 1, 1964, to be used by the Housing
 8 and Home Finance Administrator for the purpose of provid-
 9 ing fellowships for the graduate training of professional city
 10 planning and urban and housing technicians and specialists
 11 as provided below. Persons shall be selected for such fellow-
 12 ships solely on the basis of ability. Fellowships shall be
 13 solely for training in public and private nonprofit institutions
 14 of higher education having programs of graduate study in
 15 the field of city planning or in related fields (including archi-
 16 tecture, civil engineering, economics, municipal finance,
 17 public administration, and sociology); which programs are
 18 oriented to training for careers in city and regional planning,
 19 housing, urban renewal, and community development. The
 20 Administrator shall, in the administration of this section,
 21 consult with, and secure the advice of, the Department of
 22 Health, Education, and Welfare.

23 FEDERAL SAVINGS AND LOAN ASSOCIATIONS

24 SEC. 807. (a) (1) The first sentence of section 5(e)
 25 of the Home Owners' Loan Act of 1933 is amended by

1 striking out "fifty miles of their home office" and inserting in
2 lieu thereof "one hundred miles from their home office".

3 ~~(2)~~ Section 403(b) of title IV of the National Hous-
4 ing Act is amended by striking out that part of the third
5 sentence which preceeds the first semicolon and inserting
6 in lieu thereof the following: "Each applicant for such in-
7 surance shall also file with its application an agreement
8 that during the period that the insurance is in force it will
9 not make any loans beyond one hundred miles from its
10 principal office; but any applicant which, prior to the date
11 of enactment of the Housing Act of 1964, has been per-
12 mitted to make loans beyond such one hundred mile limit
13 may continue to make loans within the territory in which
14 the applicant is operating on such date: *Provided*, That
15 any loan beyond fifty miles from its principal office and
16 outside the territory in which the applicant is operating
17 on the date of the enactment of such Act may be made,
18 but only with the approval of, and pursuant to regulations
19 of, the Corporation".

20 ~~(b)~~ The first proviso of section 5(e) of the Home
21 Owners' Loan Act of 1933 is amended by striking out
22 " , except that the aggregate sums invested pursuant to the
23 two execeptions in this proviso shall not exceed 30 per centum
24 of the assets of such association".

25 ~~(c)~~ Section 5(c) of the Home Owners' Loan Act of

1 1933 is amended by adding at the end thereof a new para-
2 graph as follows:

3 "For the purpose of this section, the terms 'real prop-
4 erty' and 'real estate' shall include a leasehold or sublease-
5 hold estate in real property under a lease or sublease the
6 term of which does not expire, or which is renewable
7 automatically or at the option of the holder (or at the option
8 of the association) so as not to expire, for at least fifteen
9 years beyond the maturity of the debt, or for such longer
10 period as the Board by regulation may prescribe."

11 (d) The next to last paragraph of section 5(e) of the
12 Home Owners' Loan Act of 1933 is amended to read as
13 follows:

14 "Without regard to any other provision of this sub-
15 section, any such association is authorized to invest not more
16 than 5 per centum of its assets in, or in interests in, real
17 property located within urban renewal areas as defined in
18 subsection (a) of section 110 of the Housing Act of 1949
19 and obligations secured by first liens on real property so
20 located, but no investment shall be made by an association
21 under this sentence in real property or any interest therein
22 if the aggregate investment of the association under this
23 sentence in real property and interests therein, determined as
24 prescribed by the Board, would thereupon exceed 2 per
25 centum of the assets of the association."

1 ~~(e)~~ Section 5~~(c)~~ of the Home Owners' Loan Act of
 2 1933 is amended by adding at the end thereof a new para-
 3 graph as follows:

4 "Subject to rules and regulations of the Board, any such
 5 association is authorized to invest in the capital stock, obliga-
 6 tions, or other securities of any corporation organized under
 7 the laws of the State, District, Commonwealth, territory, or
 8 possession in which the home office of the association is
 9 located, if the entire capital stock of such corporation is avail-
 10 able for purchase only by savings and loan associations of
 11 that State, District, Commonwealth, territory, or possession
 12 and by Federal savings and loan associations having their
 13 home offices therein, but no association may make any invest-
 14 ment under this sentence if its aggregate outstanding invest-
 15 ment under this sentence, determined as prescribed by the
 16 Board, would thereupon exceed 2 per centum of its assets."

17 ~~(f)~~ Section 10~~(b)~~ of the Federal Home Loan Bank
 18 Act is amended by striking out "twenty-five" in clause ~~(1)~~
 19 and inserting in lieu thereof "thirty".

20 REAL ESTATE LOANS BY NATIONAL BANKS

21 ~~SEC. 808.~~ Clause ~~(3)~~ of the third sentence of the first
 22 paragraph of section 24 of the Federal Reserve Act is
 23 amended to read as follows: "~~(3)~~ any such loan may be
 24 made in an amount not to exceed 80 per centum of the
 25 appraised value of the real estate offered as security and for

1 a term not longer than thirty years if the loan is secured by
 2 an amortized mortgage, deed of trust, or other such instru-
 3 ment under the terms of which the installment payments are
 4 sufficient to amortize the entire principal of the loan within
 5 the period ending on the date of its maturity, and”.

6 *That this Act may be cited as the “Housing Act of 1964”.*

7 *TITLE I—AMENDMENTS TO THE NATIONAL*
 8 *HOUSING ACT*

9 *MORTGAGE LIMITS FOR HOMES UNDER SECTION 203*

10 *PROGRAMS*

11 *SEC. 101. (a) Section 203(b)(2) of the National*
 12 *Housing Act is amended—*

13 *(1) by striking out “\$25,000”, “\$27,500”, “\$27,-*
 14 *500”, and “\$35,000” and inserting in lieu thereof*
 15 *“\$30,000”, “\$32,500”, “\$32,500”, and “\$37,500”,*
 16 *respectively; and*

17 *(2) by striking out “90 per centum”, “90 per*
 18 *centum”, and “75 per centum” and inserting in lieu*
 19 *thereof “92 per centum”, “92½ per centum”, and “80*
 20 *per centum”, respectively.*

21 *(b) Section 203(i) of such Act is amended by striking*
 22 *out “\$9,000” and inserting in lieu thereof “\$11,000”.*

1 HOME IMPROVEMENT LOANS OUTSIDE OF URBAN RENEWAL
2 AREAS

3 SEC. 102. Section 203(k) of the National Housing Act
4 is amended by striking out "economically sound" in clause
5 (2) of the first sentence and inserting in lieu thereof "an
6 acceptable risk".

7 ADDITIONAL RELIEF FOR HOME MORTGAGORS IN DEFAULT
8 DUE TO CIRCUMSTANCES BEYOND THEIR CONTROL

9 SEC. 103. (a) Section 204(a) of the National Housing
10 Act is amended by striking out the fourth proviso and in-
11 serting in lieu thereof the following: ": And provided fur-
12 ther, That with respect to any mortgage covering a one-,
13 two-, three-, or four-family residence insured under this
14 Act, if the Commissioner finds, after notice of default, that
15 the default was due to circumstances beyond the control of
16 the mortgagor, he may, upon such terms and conditions
17 as he may prescribe, (1) approve the request of the mort-
18 gagee for an extension of the time for the curing of the
19 default and of the time for commencing foreclosure proceed-
20 ings or for otherwise acquiring title to the mortgaged prop-
21 erty to such time as the Commissioner may determine is
22 necessary and desirable to enable the mortgagor to complete

1 the mortgage payments, including an extension of time
2 beyond the stated maturity of the mortgage, and in the
3 event of a subsequent foreclosure or acquisition of the prop-
4 erty by other means the Commissioner is authorized to in-
5 clude in the debentures an amount equal to any unpaid mort-
6 gage interest, or (2) approve a modification of the terms of
7 the mortgage for the purpose of changing the amortization
8 provisions by recasting, over the remaining term of the mort-
9 gage or over such longer period as may be approved by the
10 Commissioner, the total unpaid amount then due, as deter-
11 mined by the Commissioner, with the modification to become
12 effective currently or to become effective upon the termina-
13 tion of an agreed-upon extension of the period for curing
14 the default; and the principal amount of the mortgage, as
15 modified, shall be considered to be the 'original principal
16 obligation of the mortgage' as that term is used in this Act
17 for the purpose of computing the total face value of the
18 debentures to be issued or the cash payment to be made by
19 the Commissioner to a mortgagee".

20 (b) Section 230 of such Act is amended by striking
21 out the first sentence and inserting in lieu thereof the follow-
22 ing: "Upon receiving notice of the default of any mortgage
23 covering a one-, two-, three-, or four-family residence here-
24 tofore or hereafter insured under this Act, the Commissioner,
25 in his discretion and for the purpose of avoiding foreclosure

1 of the mortgage, and notwithstanding the fact that he has
 2 previously approved a request of the mortgagee for an ex-
 3 tension of the time for curing the default and of the time for
 4 commencing foreclosure proceedings or for otherwise acquir-
 5 ing title to the mortgaged property, or has approved a
 6 modification of the mortgage for the purpose of changing
 7 the amortization provisions by recasting the unpaid balance,
 8 may acquire the loan and security therefor upon payment
 9 of the insurance benefits in an amount equal to the unpaid
 10 principal balance of the loan plus any unpaid mortgage in-
 11 terest plus reimbursement for such costs and attorney's fees
 12 as the Commissioner finds were properly incurred in connec-
 13 tion with the defaulted mortgage and its assignment to the
 14 Commissioner, and for any proper advances theretofore made
 15 by the mortgagee under the provisions of the mortgage.
 16 After the acquisition of such mortgage by the Commissioner,
 17 the mortgagee shall have no further rights, liabilities, or
 18 obligations with respect thereto."

19 MAXIMUM AMOUNT OF SECTION 207 RENTAL HOUSING
 20 MORTGAGES

21 SEC. 104. Section 207(c)(2) of the National Housing
 22 Act is amended by striking out all that follows the first colon
 23 and precedes "to mortgages on housing in Alaska", and

1 *inserting in lieu thereof the following: "Provided, That this*
2 *limitation shall not apply".*

3 *FAMILY UNIT LIMITS ON FHA RENTAL HOUSING*

4 *SEC. 105. (a) Section 207(c)(3) of the National*
5 *Housing Act is amended by striking out the first paragraph*
6 *and inserting in lieu thereof the following:*

7 *"(3) not to exceed, for such part of the property or*
8 *project as may be attributable to dwelling use (excluding*
9 *exterior land improvements as defined by the Commis-*
10 *sioner), \$9,000 per family unit without a bedroom, \$12,500*
11 *per family unit with one bedroom, \$15,000 per family unit*
12 *with two bedrooms, and \$18,500 per family unit with three*
13 *or more bedrooms or not to exceed \$1,800 per space or*
14 *\$500,000 per mortgage for trailer courts or parks; except*
15 *that as to projects to consist of elevator-type struc-*
16 *tures the Commissioner may, in his discretion, increase the*
17 *dollar amount limitations per family unit to not to exceed*
18 *\$10,500 per family unit without a bedroom, \$15,000 per*
19 *family unit with one bedroom, \$18,000 per family unit with*
20 *two bedrooms, and \$22,500 per family unit with three or*
21 *more bedrooms, as the case may be, to compensate for the*
22 *higher costs incident to the construction of elevator-type*
23 *structures of sound standards of construction and design; and*
24 *except that the Commissioner may, by regulation, increase*
25 *any of the foregoing dollar amount limitations contained in*

1 *this paragraph by not to exceed 30 per centum in any geo-*
2 *graphical area where he finds that cost levels so require."*

3 *(b) Section 213(b)(2) of such Act is amended by*
4 *striking out all that precedes the third proviso and inserting*
5 *in lieu thereof the following:*

6 *"(2) not to exceed, for such part of the property or*
7 *project as may be attributable to dwelling use (exclud-*
8 *ing exterior land improvements as defined by the Com-*
9 *missioner), \$9,000 per family unit without a bedroom,*
10 *\$12,500 per family unit with one bedroom, \$15,000 per*
11 *family unit with two bedrooms, and \$18,500 per family*
12 *unit with three or more bedrooms, and not to exceed 97*
13 *per centum of the amount which the Commissioner esti-*
14 *mates will be the replacement cost of the property or*
15 *project when the proposed physical improvements are*
16 *completed: Provided, That as to projects to consist of*
17 *elevator-type structures the Commissioner may, in his*
18 *discretion, increase the dollar amount limitations per*
19 *family unit to not to exceed \$10,500 per family unit*
20 *without a bedroom, \$15,000 per family unit with one*
21 *bedroom, \$18,000 per family unit with two bedrooms,*
22 *and \$22,500 per family unit with three or more bed-*
23 *rooms, as the case may be, to compensate for the higher*
24 *costs incident to the construction of elevator-type struc-*
25 *tures of sound standards of construction and design:*

1 *Provided further, That the Commissioner may, by regu-*
2 *lation, increase any of the foregoing dollar amount limi-*
3 *tations contained in this paragraph by not to exceed 30*
4 *per centum in any geographical area where he finds that*
5 *cost levels so require”.*

6 *(c) Section 220(d)(3)(B)(iii) of such Act is amended*
7 *to read as follows:*

8 *“(iii) not exceed, for such part of the property or*
9 *project as may be attributable to dwelling use (excluding*
10 *exterior land improvements as defined by the Commis-*
11 *sioner), \$9,000 per family unit without a bedroom,*
12 *\$12,500 per family unit with one bedroom, \$15,000 per*
13 *family unit with two bedrooms, and \$18,500 per family*
14 *unit with three or more bedrooms; except that as to*
15 *projects to consist of elevator-type structures the Com-*
16 *missioner may, in his discretion, increase the dollar*
17 *amount limitations per family unit to not to exceed*
18 *\$10,500 per family unit without a bedroom, \$15,000*
19 *per family unit with one bedroom, \$18,000 per family*
20 *unit with two bedrooms, and \$22,500 per family unit*
21 *with three or more bedrooms, as the case may be, to*
22 *compensate for the higher costs incident to the construc-*
23 *tion of elevator-type structures of sound standards of*
24 *construction and design; and except that the Commis-*
25 *sioner may, by regulation, increase any of the fore-*

1 going dollar amount limitations contained in this clause
2 by not to exceed 30 per centum in any geographical area
3 where he finds that cost levels so require: Provided,
4 That nothing contained in this subparagraph shall pre-
5 clude the insurance of mortgages covering existing
6 multifamily dwellings to be rehabilitated or recon-
7 structed for the purposes set forth in subsection (a) of
8 this section; and”.

9 (d)(1) Section 221(d)(3)(ii) of such Act is amended
10 to read as follows:

11 “(ii) not exceed, for such part of the property or
12 project as may be attributable to dwelling use (exclud-
13 ing exterior land improvements as defined by the Com-
14 missioner), \$8,000 per family unit without a bedroom,
15 \$11,250 per family unit with one bedroom, \$13,500
16 per family unit with two bedrooms, and \$17,000 per
17 family unit with three or more bedrooms; except that as
18 to projects to consist of elevator-type structures the
19 Commissioner may, in his discretion, increase the dollar
20 amount limitations per family unit to not to exceed
21 \$9,500 per family unit without a bedroom, \$13,500
22 per family unit with one bedroom, \$16,000 per family
23 unit with two bedrooms, and \$20,000 per family unit
24 with three or more bedrooms, as the case may be, to
25 compensate for the higher costs incident to the construc-

1 tion of elevator-type structures of sound standards of
2 construction and design; and except that the Commis-
3 sioner may, by regulation, increase any of the foregoing
4 dollar amount limitations contained in this clause by not
5 to exceed 30 per centum in any geographical area where
6 he finds that cost levels so require; and”.

7 (2) Section 221(d)(4)(ii) of such Act is amended
8 to read as follows:

9 “(ii) not exceed, for such part of the property or
10 project as may be attributable to dwelling use (exclud-
11 ing exterior land improvements as defined by the Com-
12 missioner), \$8,000 per family unit without a bedroom,
13 \$11,250 per family unit with one bedroom, \$13,500
14 per family unit with two bedrooms, and \$17,000 per
15 family unit with three or more bedrooms; except that
16 as to projects to consist of elevator-type structures the
17 Commissioner may, in his discretion, increase the dollar
18 amount limitations per family unit to not to exceed
19 \$9,500 per family unit without a bedroom, \$13,500
20 per family unit with one bedroom, \$16,000 per family
21 unit with two bedrooms, and \$20,000 per family unit
22 with three or more bedrooms, as the case may be, to
23 compensate for the higher costs incident to the construc-
24 tion of elevator-type structures of sound standards of
25 construction and design; and except that the Commis-

1 *sioner may, by regulation, increase any of the foregoing*
2 *dollar amount limitations contained in this clause by not*
3 *to exceed 30 per centum in any geographical area where*
4 *he finds that cost levels so require;''.*

5 *(e) Section 231(c)(2) of such Act is amended to*
6 *read as follows:*

7 *“(2) not exceed, for such part of the property or*
8 *project as may be attributable to dwelling use (exclud-*
9 *ing exterior land improvements as defined by the Com-*
10 *missioner), \$8,000 per family unit without a bedroom,*
11 *\$11,250 per family unit with one bedroom, \$13,500 per*
12 *family unit with two bedrooms, and \$17,000 per family*
13 *unit with three or more bedrooms; except that as to*
14 *projects to consist of elevator-type structures the Com-*
15 *missioner may, in his discretion, increase the dollar*
16 *amount limitations per family unit to not to exceed*
17 *\$9,500 per family unit without a bedroom, \$13,500*
18 *per family unit with one bedroom, \$16,000 per family*
19 *unit with two bedrooms, and \$20,000 per family unit*
20 *with three or more bedrooms, as the case may be, to*
21 *compensate for the higher costs incident to the construc-*
22 *tion of elevator-type structures of sound standards of con-*
23 *struction and design; and except that the Commissioner*
24 *may, by regulation, increase any of the foregoing dollar*
25 *amount limitations contained in this paragraph by not*

1 to exceed 30 per centum in any geographical area where
2 he finds that cost levels so require;”.

3 (f)(1) Clause (2) in the first sentence of section
4 810(f) of such Act is amended by striking out “\$2,500
5 per room (or \$9,000 per family unit if the number of rooms
6 in such property or project is less than four per family
7 unit)” and inserting in lieu thereof “\$9,000 per family
8 unit without a bedroom, \$12,500 per family unit with one
9 bedroom, \$15,000 per family unit with two bedrooms, and
10 \$18,500 per family unit with three or more bedrooms”.

11 (2) *The second sentence of section 810(f) of such Act*
12 *is amended to read as follows: "The Commissioner may, by*
13 *regulation, increase any of the foregoing dollar amount*
14 *limitations contained in this paragraph by not to exceed 30*
15 *per centum in any geographical area where he finds that cost*
16 *levels so require."*

17 SUPPLEMENTARY COOPERATIVE LOANS UNDER SECTION

18 213(j)

19 *SEC. 106. (a) Section 213(j)(1) of the National Hous-*
20 *ing Act is amended—*

21 (1) *by striking out “or” at the end of clause (A);*

22 (2) *by striking out the period at the end of clause*

23 (B) and inserting in lieu thereof “; or”; and

24 (3) by adding at the end thereof the following
25 new clause:

“(C) Cooperative purchases and resales of memberships in order to provide necessary refinancing for resales of memberships which involve increases in equity; but in such resales by the cooperative the downpayments by the new members shall not be less than those made on the original sales of such memberships.”

(b) Section 305(e) of such Act is amended by adding at the end thereof the following new sentence: “Without regard to any of the limitations of this subsection except the total amount of authorizations available, the Association is authorized to enter into advance commitment contracts and purchase transactions on supplementary cooperative loans with respect to which the Federal Housing Commissioner shall have issued, pursuant to section 213(j), either a commitment to insure or a statement of eligibility; but such commitments and purchases shall be made solely where there is a management-type cooperative involved which is certified by the Federal Housing Commissioner as a consumer cooperative.”

MUTUALITY FOR MANAGEMENT-TYPE COOPERATIVES

SEC. 107. (a) Section 213 of the National Housing Act is amended by adding at the end thereof the following new subsections:

“(k) There is hereby created a Cooperative Management Housing Insurance Fund (hereinafter referred to as

1 the 'Management Fund'). The Management Fund shall
2 be used by the Commissioner as a revolving fund for carry-
3 ing out the provisions of this section with respect to
4 mortgages or loans insured, on or after the date of the enact-
5 ment of this subsection, under subsections (a)(1), (a)(3)
6 (if the project is acquired by a cooperative corporation),
7 (i), and (j). The Management Fund shall also be used as
8 a revolving fund for mortgages, loans, and commitments
9 transferred to it pursuant to subsection (m). The Commis-
10 sioner is directed to transfer to the Management Fund from
11 the Housing Insurance Fund established pursuant to section
12 207(f) such amount as the Commissioner determines to be
13 necessary and appropriate. General expenses of operation
14 of the Federal Housing Administration relating to mort-
15 gages or loans which are the obligation of the Management
16 Fund may be charged to the Management Fund.

17 “(l) The Commissioner shall establish in the Manage-
18 ment Fund, as of the date of the enactment of this subsec-
19 tion, a General Surplus Account and a Participating Re-
20 serve Account. The aggregate net income thereafter received
21 or any net loss thereafter sustained by the Management Fund,
22 in any semiannual period, shall be credited or charged to
23 the General Surplus Account or the Participating Reserve
24 Account or both in such manner and amounts as the Com-
25 missioner may determine to be in accord with sound actu-

1 arial and accounting practice. Upon termination of the
2 insurance obligation of the Management Fund by payment
3 of any mortgage or loan insured under this section, and at
4 such time or times prior to such termination as the Commis-
5 sioner may determine, the Commissioner is authorized to
6 distribute to the mortgagor or borrower a share of the Par-
7 ticipating Reserve Account in such manner and amount as
8 the Commissioner shall determine to be equitable and in ac-
9 cordance with sound actuarial and accounting practice: Pro-
10 vided, That in no event shall the amount of the distributable
11 share exceed the aggregate scheduled annual premiums of
12 the mortgagor or borrower to the year of payment of the share
13 less the total amount of any share or shares previously dis-
14 tributed by the Commissioner to the mortgagor or borrower:
15 And provided further, That in no event may a distributable
16 share be distributed until any funds transferred to the Man-
17 agement Fund pursuant to section 219 have been repaid in
18 full to the transferring fund. No mortgagor, mortgagee,
19 borrower, or lender shall have any vested right in a credit
20 balance in any such account or be subject to any liability
21 arising out of the mutuality of the Management Fund. The
22 determination of the Commissioner as to the amount to be
23 paid by him to any mortgagor or borrower shall be final and
24 conclusive.

25 “(m) The Commissioner is authorized to transfer to the

1 *Management Fund commitments for insurance issued under*
2 *subsections (a)(1), (i), and (j) prior to the date of the*
3 *enactment of this subsection, and to transfer to the Manage-*
4 *ment Fund the insurance of any mortgage or loan insured*
5 *prior to the date of the enactment of this subsection under*
6 *subsection (a)(1), (a)(3) (if the project is acquired by a*
7 *cooperative corporation), (i), or (j), but only in cases where*
8 *the consent of the mortgagee or lender to the transfer is*
9 *obtained or a request by the mortgagee or lender for the*
10 *transfer is received by the Commissioner within such period*
11 *of time after the date of the enactment of this subsection as*
12 *the Commissioner shall prescribe: Provided, That the insur-*
13 *ance of any mortgage or loan shall not be transferred under*
14 *the provisions of this subsection if on the date of the enact-*
15 *ment of this subsection the mortgage or loan is in default and*
16 *the mortgagee or lender has notified the Commissioner in*
17 *writing of its intention to file an insurance claim. Any*
18 *insurance or commitment not so transferred shall continue to*
19 *be an obligation of the Housing Insurance Fund.*

20 *“(n) Notwithstanding the limitations contained in*
21 *other provisions of this Act, premium charges for mortgages*
22 *or loans insured under sections 207, 213, 231, and 232 may*
23 *be payable in debentures issued in connection with mort-*
24 *gages or loans transferred to the Management Fund or in*
25 *connection with mortgages or loans insured pursuant to com-*

1 mitments transferred to the Management Fund, as provided
2 in subsection (m) of this section.”

3 (b) Section 213 of such Act is further amended—

4 (1) by inserting before the period at the end of
5 subsection (a) the following: “: Provided, That as ap-
6 plied to mortgages the mortgage insurance for which is
7 the obligation of the Management Fund, the reference
8 to the Housing Fund in section 207(b)(2) shall be
9 construed to refer to the Management Fund”; and

10 (2) by inserting before the period at the end of
11 subsection (e) the following: “: Provided, That as ap-
12 plied to mortgages or loans the insurance for which is
13 the obligation of the Management Fund (1) all refer-
14 ences to the Housing Insurance Fund or Housing Fund
15 shall be construed to refer to the Management Fund, and
16 (2) all references to section 207 shall be construed to
17 refer to subsections (a)(1), (a)(3) (if the project
18 involved is acquired by a cooperative corporation), (i),
19 and (j) of this section”.

20 (c) Section 207(f) of such Act is amended by inserting
21 at the end thereof the following new sentence: “This sub-
22 section shall not be applicable to a mortgage or loan, insured
23 under section 213, the mortgage or loan insurance for which
24 is the obligation of the Cooperative Management Housing
25 Insurance Fund.”

1 (d) Section 219 of such Act is amended by striking out
 2 “or the Servicemen’s Mortgage Insurance Fund” and in-
 3 serting in lieu thereof “the Servicemen’s Mortgage Insurance
 4 Fund, or the General Surplus Account of the Cooperative
 5 Management Housing Insurance Fund”.

6 MORTGAGE LIMITS UNDER SECTION 220 SALES HOUSING
 7 MORTGAGE INSURANCE PROGRAM

8 SEC. 108 Section 220(d)(3)(A)(i) of the National
 9 Housing Act is amended—

10 (1) by striking out “\$25,000”, “\$27,500”,
 11 “\$30,000”, “\$35,000”, and “\$35,000” and inserting
 12 in lieu thereof “\$30,000”, “\$32,500”, “\$32,500”,
 13 “\$37,500”, and “\$37,500”, respectively; and

14 (2) by striking out “90 per centum”, “90 per
 15 centum”, and “75 per centum” and inserting in lieu
 16 thereof “92 per centum”, “92½ per centum”, and “80
 17 per centum”, respectively.

18 MORTGAGE LIMITS UNDER SECTION 220 MULTIFAMILY
 19 HOUSING MORTGAGE INSURANCE PROGRAM

20 SEC. 109. Section 220(d)(3)(B)(i) of the National
 21 Housing Act is amended by striking out “\$20,000,000” and
 22 inserting in lieu thereof “\$30,000,000”.

1 LOANS TO COVER THE COST OF PUBLIC IMPROVEMENTS

2 SEC. 110. (a) The second sentence of section 220(h)
3 (1) of the National Housing Act is amended to read as
4 follows: "As used in this subsection—

5 "(A) the term 'home improvement loan' means
6 a loan, advance of credit, or purchase of an obligation
7 representing a loan or advance of credit made—

8 "(i) for the purpose of financing the improve-
9 ment of an existing structure (or in connection with
10 an existing structure) which was constructed not
11 less than ten years prior to the making of such loan,
12 advance of credit, or purchase, and which is used or
13 will be used primarily for residential purposes:
14 Provided, That a home improvement loan shall in-
15 clude a loan, advance, or purchase with respect to
16 the improvement of a structure which was construct-
17 ed less than ten years prior to the making of such
18 loan, advance, or purchase if the proceeds are or
19 will be used primarily for major structural improve-
20 ments, or to correct defects which were not known
21 at the time of the completion of the structure or

1 *which were caused by fire, flood, windstorm, or*
 2 *other casualty; or*

3 “(ii) for the purpose of enabling the borrower
 4 to pay that part of the cost of the construction or
 5 installation of sidewalks, curbs, gutters, street pav-
 6 ing, street lights, sewers, or other public improve-
 7 ments, adjacent to or in the vicinity of property
 8 owned by him and used primarily for residential
 9 purposes, which is assessed against him or for which
 10 he is otherwise legally liable as the owner of such
 11 property;

12 “(B) the term ‘improvement’ means conservation,
 13 repair, restoration, rehabilitation, conversion, alteration,
 14 enlargement, or remodeling; and

15 “(C) the term ‘financial institution’ means a lender
 16 approved by the Commissioner as eligible for insurance
 17 under section 2 or a mortgagee approved under section
 18 203(b)(1).”

19 (b) Section 220(h)(2)(i) of such Act is amended by
 20 inserting before the semicolon at the end thereof the follow-
 21 ing: “, and be limited as required by paragraph (11)”.

22 (c) Section 220(h) of such Act is further amended
 23 by adding at the end thereof the following new paragraph:

24 “(11) Notwithstanding any other provision of this Act,
 25 no home improvement loan made in whole or in part for the

1 purpose specified in clause (A)(ii) of the second sentence
 2 of paragraph (1) shall be insured under this subsection if
 3 such loan (or the portion thereof which is attributable to such
 4 purpose), when added to the aggregate principal balance of
 5 any outstanding loans insured under this subsection or section
 6 203(k) which were made to the same borrower for the pur-
 7 pose so specified (or the portion of such aggregate balance
 8 which is attributable to such purpose), would exceed
 9 \$10,000."

10 HOME IMPROVEMENT LOANS ON PROPERTY HELD UNDER
 11 LEASE

12 SEC. 111. Section 220(h)(2)(vi) of the National
 13 Housing Act is amended by striking out "a period of not less
 14 than 50 years to run from the date of the loan" and inserting
 15 in lieu thereof "an expiration date in excess of 5 years later
 16 than the maturity date of the loan".

17 PRIVATE MORTGAGORS UNDER SECTION 221(d)(3)

18 SEC. 112. Section 221(d)(3) of the National Housing
 19 Act is further amended by inserting after "section" in the
 20 matter preceding clause (i) the following: ", or a mortgagor
 21 approved by the Commissioner which (A) as a condition
 22 of obtaining the insurance of a mortgage under this section,
 23 and prior to the submission of its application for such insur-
 24 ance, has entered into an agreement, in form and sub-

1 stance satisfactory to the Commissioner, to sell the prop-
 2 erty or project covered by such mortgage (upon its
 3 completion) to a private nonprofit corporation, associa-
 4 tion, or other mortgagor approved by the Commissioner
 5 at the actual cost of the property or project as certi-
 6 fied pursuant to section 227, and (B) is regulated or
 7 supervised by the Commissioner, under a regulatory agree-
 8 ment or otherwise, as to rents, charges, and methods of oper-
 9 ation in such form and in such manner as in the opinion of
 10 the Commissioner will effectuate the purposes of this section”.

11 MORTGAGE INSURANCE FOR SERVICEMEN

12 SEC. 113. Section 222(b) of the National Housing Act
 13 is amended—

14 (1) by striking out “203(b) or 203(i)” in para-
 15 graph (1) and inserting in lieu thereof “203(b),
 16 203(i), or 221(d)(2),”; and

17 (2) by striking out “such principal obligation shall
 18 not exceed \$9,000” in paragraph (2) and inserting
 19 in lieu thereof “or section 221(d)(2) such principal
 20 obligation shall not exceed the maximum limits pre-
 21 scribed for such section”.

22 PRIVATE FINANCING OF SALE OF FHA-ACQUIRED

23 PROPERTIES

24 SEC. 114. Section 223(c) of the National Housing Act
 25 is amended by striking out “limitation upon eligibility con-

1 tained in this title II" and inserting in lieu thereof the fol-
 2 lowing: "limitations or requirements contained in this title
 3 upon the eligibility of the mortgage, upon the payment of
 4 insurance premiums, or upon the terms and conditions of
 5 insurance settlement and the benefits of the insurance to be
 6 included in such settlement (except that in any case the
 7 payment of insurance shall be in debentures)".

8 MORTGAGE INSURANCE FOR NONPROFIT NURSING HOMES

9 SEC. 115. Section 232(b)(1) of the National Housing
 10 Act is amended by inserting after "proprietary facility" the
 11 following: "or facility of a private nonprofit corporation or
 12 association".

13 EXPERIMENTAL HOUSING

14 SEC. 116. (a) Section 233(a) of the National Hous-
 15 ing Act is amended by striking out " , in the case of mort-
 16 gages insured under subsection (b)(2) of this section,".

17 (b) Section 233(b) of such Act is amended to read
 18 as follows:

19 "(b) To be eligible for insurance under this section, a
 20 mortgage shall meet the requirements of one of the other
 21 sections of this title; except that, in determining the appraised
 22 value or the replacement cost of the property in cases in-
 23 volving new construction or the estimated cost of repair and
 24 rehabilitation or improvement in cases involving existing
 25 properties, the Commissioner's estimate may be based upon

1 an estimate of the cost of replacing the property using compa-
 2 rable conventional design, materials, and construction, and
 3 any limitation upon the maximum mortgage amount avail-
 4 able to a nonoccupant owner shall not, in the discretion of
 5 the Commissioner, be applicable to mortgages insured under
 6 this section."

7 (c) Section 233 of such Act is further amended by
 8 striking out subsections (e) and (f) and inserting in lieu
 9 thereof the following:

10 "(e) Any mortgagee under a mortgage insured under
 11 subsection (b) shall be entitled to insurance benefits deter-
 12 mined in the same manner as such benefits would be deter-
 13 mined if such mortgage or loan were insured under the
 14 section of this title for which it otherwise would have been
 15 eligible except for the experimental feature of the property
 16 involved."

17 (d) Section 233 of such Act is further amended by
 18 redesignating subsections (g) and (h) as subsections (f)
 19 and (g), respectively, and by striking out "subsections (e)
 20 and (f)" in the first sentence of the subsection so redesign-
 21 ated as subsection (f) and inserting in lieu thereof "sub-
 22 section (e)".

23 MORTGAGE INSURANCE FOR CONDOMINIUMS

24 SEC. 117. (a) Section 234 of the National Housing
 25 Act is amended—

1 (1) by striking out the heading and inserting in
2 lieu thereof "MORTGAGE INSURANCE FOR CONDO-
3 MINIUMS";

4 (2) by striking out "structure" each place it ap-
5 pears and inserting in lieu thereof "project" (and by
6 striking out "structures" in the last sentence of subsec-
7 tion (c) and inserting in lieu thereof "projects");

8 (3) by striking out "the term 'mortgage' for the
9 purposes of this section" in subsection (b) and insert-
10 ing in lieu thereof "the term 'mortgage' for the purposes
11 of subsection (c)";

12 (4) (A) by striking out "this section" each time it
13 appears in subsection (c) and inserting in lieu thereof
14 "this subsection";

15 (B) by striking out "under another section" in the
16 first sentence of subsection (c) and inserting in lieu
17 thereof "under any section";

18 (5) by striking out "section 213" each time it ap-
19 pears in subsection (c) and inserting in lieu thereof
20 "section 213(a) (1) and (2)";

21 (6) by striking out the third sentence of subsection
22 (c) and inserting in lieu thereof the following: "To be
23 eligible for insurance pursuant to this subsection, a
24 mortgage shall (A) involve a principal obligation in
25 an amount not to exceed \$30,000, and not to exceed

1 the sum of (i) 97 per centum of \$15,000 of the amount
 2 which the Commissioner estimates will be the appraised
 3 value of the family unit including common areas and
 4 facilities as of the date the mortgage is accepted for
 5 insurance, (ii) 90 per centum of such value in excess of
 6 \$15,000 but not in excess of \$20,000, and (iii) 80 per
 7 centum of such value in excess of \$20,000, and (B)
 8 have a maturity satisfactory to the Commissioner, but
 9 not to exceed, in any event, thirty-five years from the
 10 date of the beginning of amortization of the mortgage
 11 or three-fourths of the Commissioner's estimate of the
 12 remaining economic life of the project, whichever is the
 13 lesser.”;

14 (7) by redesignating subsection (d) as subsection
 15 (g), by redesignating subsections (e) and (f) as sub-
 16 sections (i) and (j), respectively, and by inserting after
 17 subsection (c) the following new subsections:

18 “(d) In addition to individual mortgages insured under
 19 subsection (c), the Commissioner is authorized, in his dis-
 20 cretion and under such terms and conditions as he may pre-
 21 scribe, to insure blanket mortgages (including advances on
 22 such mortgages during construction) which cover multifamily
 23 projects to be constructed or rehabilitated in cases where the
 24 mortgage is held by a mortgagor, approved by the Commis-
 25 sioner, which—

1 “(1) has certified to the Commissioner, as a con-
2 dition of obtaining the insurance of a blanket mortgage
3 under this subsection, that upon completion of the
4 multifamily project covered by such mortgage it intends
5 to commit the ownership of the multifamily project to
6 a plan of family unit ownership under which each family
7 unit would be eligible for individual mortgage insurance
8 under subsection (c) and will faithfully and diligently
9 make and carry out all reasonable efforts to establish
10 such plan of family unit ownership and to sell such
11 family units to purchasers approved by the Commis-
12 sioner; and

13 “(2) shall be regulated or restricted by the Commis-
14 sioner as to rents, charges, capital structure, rate of re-
15 turn, and methods of operation until the termination of
16 all obligations of the Commissioner under the insurance
17 and during such further period of time as the Commis-
18 sioner shall be the owner, holder, or reinsurer of the
19 mortgage. The Commissioner may make such contracts
20 with and acquire for not to exceed \$100 such stock or
21 interest in such mortgagor as he may deem necessary
22 to render effective the regulation and restriction of such
23 mortgagor. The stock or interest acquired by the Com-
24 missioner shall be paid for out of the Apartment Unit
25 Insurance Fund, and shall be redeemed by the mortgagor

1 at par at any time upon the request of the Commissioner
2 after the termination of all obligations of the Commis-
3 sioner under the insurance.

4 “(e) To be eligible for insurance, a blanket mortgage
5 on any multifamily project of a mortgagor of the character
6 described in subsection (d) shall involve a principal obliga-
7 tion in an amount—

8 “(1) not to exceed \$20,000,000, or not to exceed
9 \$25,000,000 if the mortgage is executed by a mortgagor
10 regulated or supervised, under Federal or State law or
11 by a political subdivision of a State or an agency thereof,
12 as to rents, charges, and methods of operation;

13 “(2) not to exceed 90 per centum of the amount
14 which the Commissioner estimates will be the replace-
15 ment cost of the project when the proposed physical
16 improvements are completed;

17 “(3) not to exceed, for such part of the project as
18 may be attributable to dwelling use (excluding exterior
19 land improvements as defined by the Commissioner),
20 \$9,000 per family unit without a bedroom, \$12,500 per
21 family unit with one bedroom, \$15,000 per family unit
22 with two bedrooms, and \$18,500 per family unit with
23 three or more bedrooms; except that as to projects to
24 consist of elevator-type structures the Commissioner
25 may, in his discretion, increase the dollar amount limita-

1 *tions per family unit to not to exceed \$10,500 per family*
2 *unit without a bedroom, \$15,000 per family unit with*
3 *one bedroom, \$18,000 per family unit with two bed-*
4 *rooms, and \$22,500 per family unit with three or more*
5 *bedrooms, as the case may be, to compensate for the*
6 *higher costs incident to the construction of elevator-type*
7 *structures of sound standards of construction and design;*
8 *and except that the Commissioner may, by regulation,*
9 *increase any of the foregoing dollar amount limitations*
10 *contained in this paragraph by not to exceed 30 per*
11 *centum in any geographical area where he finds that*
12 *cost levels so require; and*

13 *“(4) not to exceed an amount equal to the sum*
14 *of the unit mortgage amounts determined under the*
15 *provisions of subsection (c) assuming the mortgagor*
16 *to be the owner and occupant of each family unit.*

17 *“(f) Any blanket mortgage insured under subsection*
18 *(d) shall provide for complete amortization by periodic*
19 *payments within such term as the Commissioner may pre-*
20 *scribe but not to exceed forty years from the beginning of*
21 *amortization of the mortgage, and shall bear interest (ex-*
22 *clusive of premium charges for insurance) at not to exceed*
23 *5 $\frac{1}{4}$ per centum per annum on the amount of the principal*
24 *obligation outstanding at any time. The Commissioner may*
25 *consent to the release of a part or parts of the mortgaged*

1 *property from the lien of the blanket mortgage upon such*
 2 *terms and conditions as he may prescribe and the blanket*
 3 *mortgage may provide for such release. The project covered*
 4 *by the blanket mortgage may include five or more family*
 5 *units and such commercial and community facilities as the*
 6 *Commissioner deems adequate to serve the occupants.”;*

7 (8) *by striking out “this section” each time it ap-*
 8 *pears in the subsection redesignated as subsection (g)*
 9 *by paragraph (7) of this subsection and inserting in*
 10 *lieu thereof “subsection (c) of this section”;*

11 (9) *by inserting after the subsection redesignated*
 12 *as subsection (g) by paragraph (7) of this subsection*
 13 *the following new subsection:*

14 “(h) *The provisions of subsections (d), (e), (g), (h),*
 15 *(i), (j), (k), (l), (m), (n), and (p) of section 207 shall*
 16 *be applicable to mortgages insured under subsection (d) of*
 17 *this section, except that all references to the Housing Insur-*
 18 *ance Fund, or Housing Fund, shall be construed to refer to*
 19 *the Apartment Unit Insurance Fund.”; and*

20 (10) *by amending the subsection redesignated as*
 21 *subsection (j) by paragraph (7) of this subsection to*
 22 *read as follows:*

23 “(j) *The provisions of sections 225 and 230 shall be*
 24 *applicable to the mortgages insured under subsection (c) of*
 25 *this section.”*

1 (b) Section 212(a) of such Act is amended by adding
 2 at the end thereof the following new sentence: "The provi-
 3 sions of this section shall also apply to the insurance of any
 4 mortgage under section 234(d)."

5 (c) Section 227(a) of such Act is amended by striking
 6 out "or (vii)" and inserting in lieu thereof "(vii)", and by
 7 inserting before the semicolon at the end thereof ", or (viii)
 8 under section 234(d)".

9 PREPAYMENT OF MORTGAGES BY NONPROFIT EDUCA-
 10 TIONAL INSTITUTIONS

11 SEC. 118. Title V of the National Housing Act is
 12 amended by adding at the end thereof the following new
 13 section:

14 "PREPAYMENT OF MORTGAGES BY NONPROFIT

15 EDUCATIONAL INSTITUTIONS

16 "SEC. 517. (a) Notwithstanding any other provision
 17 of this Act, no adjusted premium charge shall be collected
 18 in connection with the payment in full, prior to maturity,
 19 of any mortgage insured under this Act, if the mortgagor
 20 certifies to the Commissioner that the loan was paid in full
 21 by or on behalf of a nonprofit educational institution which
 22 intends to use the property for educational purposes.

23 "(b) The Commissioner shall refund any adjusted
 24 premium charge collected subsequent to July 1, 1962, and
 25 prior to the date of the enactment of the Housing Act of

1 1964, in connection with the payment in full, prior to ma-
 2 turity, of any mortgage insured under this Act, if the mort-
 3 gage under such mortgage makes the certification pre-
 4 scribed by subsection (a)."

5 INCREASE IN NUMBER OF UNITS INSURABLE UNDER
 6 SECTION 810 PROGRAM

7 SEC. 119. Section 810(i) of the National Housing Act
 8 is amended by striking out "five thousand dwelling units"
 9 and inserting in lieu thereof "ten thousand dwelling units".

10 TITLE II—HOUSING FOR THE ELDERLY AND
 11 HANDICAPPED

12 HOUSING FOR THE ELDERLY—LOAN PROGRAM

13 SEC. 201. Section 202(a)(4) of the Housing Act of
 14 1959 is amended by striking out "\$275,000,000" and in-
 15 serting in lieu thereof "\$350,000,000".

16 FHA SECTION 221 HOUSING FOR LOW- OR MODERATE-
 17 INCOME ELDERLY PERSONS

18 SEC. 202. Section 221(f) of the National Housing Act
 19 is amended by adding at the end thereof the following new
 20 sentence: "Any person sixty-two years of age or over shall
 21 be deemed to be a family within the meaning of the terms
 22 'family' and 'families' as those terms are used in this section."

23 HOUSING FOR THE HANDICAPPED

24 SEC. 203. (a)(1) The heading of title II of the Hous-
 25 ing Act of 1959 is amended by striking out "HOUSING

1 *FOR THE ELDERLY*” and inserting in lieu thereof
2 *“HOUSING FOR THE ELDERLY OR HANDI-*
3 *CAPPED”*.

4 (2) Section 202 of such Act is amended—

5 (A) by striking out “elderly families and elderly
6 persons” wherever it appears in subsections (a)(1),
7 (a)(2), and (e) and inserting in lieu thereof in each
8 instance “elderly or handicapped families”;

9 (B) by amending subsection (d)(1) to read as
10 follows:

11 “(1) The term ‘housing’ means structures suitable
12 for dwelling use by elderly or handicapped families
13 which are (A) new structures, or (B) provided by re-
14 habilitation, alteration, conversion, or improvement of
15 existing structures which are otherwise inadequate for
16 proposed dwelling use by such families.”;

17 (C) by striking out the first sentence of subsection
18 (d)(4) and inserting in lieu thereof the following:

19 “The term ‘elderly or handicapped families’ means
20 families which consist of two or more persons and the
21 head of which (or his spouse) is sixty-two years of
22 age or over or is handicapped, and such term also
23 means a single person who is sixty-two years of age
24 or over or is handicapped. A person shall be con-
25 sidered handicapped if such person is determined, pur-

1 *suant to regulations issued by the Administrator, to*
 2 *have a physical impairment which (A) is expected to*
 3 *be of long-continued and indefinite duration, (B) sub-*
 4 *stantially impedes his ability to live independently,*
 5 *and (C) is of such a nature that such ability could be*
 6 *improved by more suitable housing conditions.”;*

7 *(D) by inserting before the period at the end of*
 8 *subsection (d)(7) the following: “or rehabilitation,*
 9 *alteration, conversion, or improvement of existing struc-*
 10 *tures”;* and

11 *(E) by amending subsection (d)(8) to read as*
 12 *follows:*

13 *“(8) The term ‘related facilities’ means (A) new*
 14 *structures suitable for use by elderly or handicapped*
 15 *families as cafeterias or dining halls, community rooms*
 16 *or buildings, workshops, or infirmaries or other inpa-*
 17 *tient or outpatient health facilities, or other essential*
 18 *service facilities, and (B) structures suitable for the*
 19 *above uses provided by rehabilitation, alteration, con-*
 20 *version, or improvement of existing structures which are*
 21 *otherwise inadequate for such uses.”*

22 *(b) The last sentence of section 221(f) of the National*
 23 *Housing Act (as added by section 202 of this Act) is*
 24 *amended by striking out “person sixty-two years of age or*
 25 *over” and inserting in lieu thereof “person who is sixty-two*

1 years of age or over, or who is a handicapped person within
2 the meaning of section 202 of the Housing Act of 1959,".

3 (c) Section 231 of such Act is amended by adding at
4 the end thereof the following new subsection:

5 "(f) Notwithstanding any of the provisions of this sec-
6 tion, the housing provided under this section may include
7 family units which are specially designed for the use and
8 occupancy of any person or family qualifying as a handi-
9 capped family as defined in section 202 of the Housing Act
10 of 1959, and such special facilities as the Commissioner deems
11 adequate to serve handicapped families (as so defined). The
12 Commissioner may also prescribe procedures to secure to such
13 families preference or priority of opportunity to rent the liv-
14 ing units specially designed for their use and occupancy."

15 (d) The second sentence of section 2(2) of the United
16 States Housing Act of 1937 (as amended by section 401
17 (a) of this Act) is amended by inserting after "and in-
18 cludes" the following: "a single person who is handicapped
19 within the meaning of section 202 of the Housing Act of
20 1959 or who is".

21 (e) Section 207 of the Housing Act of 1961 (as
22 amended by section 407 of this Act) is further amended by
23 inserting before the period at the end of the first sentence
24 the following: "and of demonstrating the types of housing
25 and the means of providing housing that will assist low in-

1 come persons or families who qualify as handicapped families
2 as defined in section 202 of the Housing Act of 1959".

3 TITLE III—URBAN RENEWAL

4 CAPITAL GRANT AUTHORIZATION

5 SEC. 301. Section 103(b) of the Housing Act of 1949
6 is amended by striking out "not to exceed \$4,000,000,000"
7 and inserting in lieu thereof "not to exceed \$4,600,000,000".

8 CODE ENFORCEMENT

9 SEC. 302. (a) The first sentence of section 110(c) of
10 the Housing Act of 1949 is amended by inserting after "or
11 rehabilitation or conservation in an urban renewal area," the
12 following: "or a program of code enforcement in an urban
13 renewal area,".

14 (b)(1) Paragraph (5) of the second sentence of
15 section 110(c) of such Act is amended (1) by striking out
16 "a program of" and inserting in lieu thereof "programs of
17 code enforcement or", and (2) by adding before the semi-
18 colon at the end of such paragraph the following: ": Provided,
19 That no program of code enforcement shall be included as
20 part of an urban renewal project unless the locality shall
21 agree to increase its total expenditures with respect to code
22 enforcement, during the period such project is under contract
23 for a loan or capital grant, by an amount equal to the re-
24 quired local grants-in-aid with respect to the code enforce-
25 ment included as part of such project".

1 (2) *Any contract for a capital grant under title I of the*
 2 *Housing Act of 1949 executed prior to the date of the enact-*
 3 *ment of this Act may be amended to incorporate the provi-*
 4 *sions of paragraph (1) for costs incurred on or after such*
 5 *date.*

6 (c) *Section 101(c) of such Act is amended by adding*
 7 *at the end thereof the following new sentence: "Commenc-*
 8 *ing three years from the date of the enactment of the Hous-*
 9 *ing Act of 1964, no workable program will be certified or re-*
 10 *certified unless the locality has had in effect for at least six*
 11 *months prior to such certification or recertification a mini-*
 12 *mum standards housing code, related but not limited to*
 13 *health, sanitation, and occupancy requirements, which is*
 14 *deemed adequate by the Administrator; and unless the Ad-*
 15 *ministrator is satisfied that the locality is carrying out an*
 16 *effective program of enforcement to achieve compliance with*
 17 *such housing code."*

18 *RELOCATION OF DISPLACEDS FROM URBAN RENEWAL*

19 *AREAS*

20 *SEC. 303. (a)(1) Section 105(c) of the Housing Act*
 21 *of 1949 is amended by striking out "families" wherever it*
 22 *appears and inserting in lieu thereof "individuals and*
 23 *families".*

24 (2) *The requirement imposed by the amendments made*

1 by paragraph (1) shall not be applicable to any project
2 receiving Federal recognition prior to the date of the enact-
3 ment of this Act.

4 (b) Section 105(c) of such Act is further amended by
5 inserting before the period at the end thereof the following:
6 “: Provided, That the Administrator shall issue rules and
7 regulations to aid in implementing the requirements of this
8 subsection and in otherwise achieving the objectives of this
9 title which shall require that there be established, at the earli-
10 est practicable time, for each urban renewal project involv-
11 ing the displacement of families, individuals, or business con-
12 cerns occupying property in an urban renewal area, a reloca-
13 tion assistance program which shall include such measures,
14 facilities, and services as may be necessary or appropriate in
15 order (1) to determine the needs of such families, in-
16 dividuals, and business concerns for relocation assistance,
17 (2) to provide information and assistance to aid in reloca-
18 tion and otherwise minimize the hardships of displacement,
19 and (3) to assure the necessary coordination of relocation
20 activities with other project activities and other planned or
21 proposed governmental actions in the community which may
22 affect the carrying out of the relocation program”.

23 (c) Section 114(e) of such Act (as added by section
24 306 of this Act and redesignated by section 317 of this Act)
25 is amended by adding at the end thereof the following

1 new sentence: "Such regulations shall include provisions
2 to assure that relocation payments, as authorized by this
3 section, shall be made as promptly as possible to all
4 families, individuals, business concerns, and nonprofit orga-
5 nizations found to be eligible for such payments by reason
6 of their having been displaced from property in the urban
7 renewal area, without regard to any subsequent proceedings,
8 determinations, or events relating to such property which do
9 not bear upon whether such displacement in fact occurred."

10 (d) Section 8(b) of the Small Business Act is
11 amended—

12 (1) by striking out "and" at the end of paragraph
13 (12);

14 (2) by striking out the period at the end of
15 paragraph (13) and inserting in lieu thereof "; and";
16 and

17 (3) by adding after paragraph (13) the following
18 new paragraph:

19 "(14) to provide at the earliest practicable time
20 such information and assistance as may be appropriate,
21 including information concerning eligibility for loans
22 under section 7(b)(3), to local public agencies (as
23 defined in section 110(h) of the Housing Act of 1949)
24 and to small-business concerns to be displaced by feder-
25 ally aided urban renewal projects in order to assist such

1 *small-business concerns in reestablishing their opera-*
2 *tions.’’*

3 *DISPOSAL OF LAND FOR LOW- AND MODERATE-INCOME*
4 *HOUSING*

5 *SEC. 304. Subsections (a) and (b) of section 107 of*
6 *the Housing Act of 1949 are amended to read as follows:*

7 *“(a) Upon approval of the Administrator and subject*
8 *to such conditions as he may determine to be in the public*
9 *interest, any real property held as part of an urban renewal*
10 *project may be made available to (1) a limited dividend*
11 *corporation, nonprofit corporation or association, coopera-*
12 *tive, or public body or agency, or (2) a purchaser who*
13 *would be eligible for a mortgage insured under section 221*
14 *(d)(4) of the National Housing Act, for purchase at fair*
15 *value for use by such purchaser in the provision of new or*
16 *rehabilitated rental or cooperative housing for occupancy*
17 *by families or individuals of moderate income.*

18 *“(b) When it appears in the public interest that real*
19 *property acquired as part of an urban renewal project should*
20 *be used in whole or in part for a low-rent housing project*
21 *assisted under the United States Housing Act of 1937, or*
22 *under a State or local program found by the Administrator*
23 *to have the same general purposes as the Federal program*
24 *under such Act, the property shall be made available to the*
25 *public housing agency undertaking the low-rent housing*

1 project at a price equal to its fair value, as determined in
2 accordance with subsection (a), and such amount shall be
3 included as part of the development cost of such low-rent
4 housing project: Provided, That the local contribution in the
5 form of tax exemption or tax remission required by section
6 10(h) of such Act, or by analogous provisions in legislation
7 authorizing such State or local program, with respect to the
8 low-rent housing project into which such property was incor-
9 porated on or after September 23, 1959, shall (if covered by
10 a contract which, in the determination of the Public Housing
11 Commissioner, will assure that such local contribution
12 will be made during the entire period that the project
13 is used as low-rent housing within the meaning of such
14 Act, or by provisions found by the Administrator to
15 give equivalent assurance in the case of State or local pro-
16 grams) be accepted as a local grant-in-aid equal in amount,
17 as determined by the Administrator, to one-half (or one-
18 third in the case of an urban renewal project on a three-
19 fourths capital grant basis) of the difference between the cost
20 of such property (including costs of land, clearance, site
21 improvements, and a share, prorated on an area basis, of
22 administrative, interest, and other project costs) and its sales
23 price, and shall be considered a local grant-in-aid furnished
24 in a form other than cash within the meaning of section
25 110(d) of this Act."

1 *REHABILITATION OF PROPERTY IN URBAN RENEWAL*2 *AREAS*

3 *SEC. 305. Section 110(c) of the Housing Act of 1949*
4 *is amended by adding immediately after and below paragraph*
5 *(7) the following new paragraph:*

6 *“Notwithstanding any other provision of this title, no*
7 *contract shall be entered into for any loan or capital grant*
8 *under this title for any project which provides for demolition*
9 *and removal of buildings and improvements unless the Ad-*
10 *ministrator determines that the objectives of the urban re-*
11 *newal plan could not be achieved through rehabilitation of*
12 *the project area.”*

13 *RELOCATION PAYMENTS TO DISPLACED PERSONS AND*
14 *BUSINESSES*

15 *SEC. 306. (a) Title I of the Housing Act of 1949 is*
16 *amended by adding at the end thereof the following new*
17 *section:*

18 *“RELOCATION*

19 *“SEC. 114. (a) Notwithstanding any other provision*
20 *of this title, an urban renewal project may include the mak-*
21 *ing of payments as prescribed in this section to displaced*
22 *individuals, families, business concerns, and nonprofit orga-*
23 *nizations; and any contract for financial assistance under*
24 *this title shall provide that the capital grant otherwise pay-*
25 *able for the project shall be increased by an amount equal to*

1 such payments and that no part of the amount of such pay-
2 ments shall be required to be contributed as part of the local
3 grant-in-aid. As used in this section, 'displaced' refers to
4 displacement from an urban renewal area made necessary by
5 (1) the acquisition of real property by a local public agency
6 or by any other public body, (2) code enforcement activities
7 undertaken in connection with an urban renewal project, or
8 (3) a program of voluntary rehabilitation of buildings or
9 other improvements in accordance with an urban renewal
10 plan.

11 “(b) A local public agency may pay to any displaced
12 business concern or nonprofit organization—

13 “(1) its reasonable and necessary moving expenses
14 and any actual direct losses of property except goodwill
15 or profit (which are incurred on and after August 7,
16 1956, and for which reimbursement or compensation
17 is not otherwise made): Provided, That such payment
18 shall not exceed \$3,000 (or, if greater, the total certi-
19 fied actual moving expenses); and

20 “(2) an additional \$1,000 in the case of a private
21 business concern with average annual net earnings of
22 less than \$10,000 per year which (A) was doing busi-
23 ness in a location in the urban renewal area on the date
24 of local approval of the urban renewal plan (or of ac-
25 quisition of the real property under the third sentence of

1 *section 102(a)), (B) is displaced on or after January*
2 *27, 1964, and (C) is not part of an enterprise having*
3 *establishments outside the urban renewal area.*

4 *“(c)(1) A local public agency may pay to any dis-*
5 *placed individual or family his or its reasonable and neces-*
6 *sary moving expenses and any actual direct losses of prop-*
7 *erty (which are incurred on and after August 7, 1956, and*
8 *for which reimbursement or compensation is not otherwise*
9 *made): Provided, That such payment shall not exceed*
10 *\$200: And provided further, That the Administrator may*
11 *authorize payment to individuals and families of fixed*
12 *amounts (not to exceed \$200 in any case) in lieu of their*
13 *respective reasonable and necessary moving expenses and*
14 *actual direct losses of property.*

15 *“(2) A local public agency may pay (in addition to*
16 *any amount under paragraph (1)), to or on behalf of any*
17 *displaced individual or family, the monthly rental (or mort-*
18 *gage payment) required for the dwelling accommodations*
19 *in which such individual or family is relocated during the*
20 *first three months (after displacement) for which such*
21 *rental (or payment) is due; except that no amount in ex-*
22 *cess of \$200 shall be paid under this paragraph to or on be-*
23 *half of any displaced individual or family, and payments*
24 *under this paragraph shall be available only in the case of*

1 individuals and families displaced on or after January 27,
2 1964.

3 “(d) The Administrator is authorized to establish such
4 rules and regulations as he may deem appropriate in carry-
5 ing out the provisions of this section.”

6 (b) Any contract with a local public agency which was
7 executed under title I of the Housing Act of 1949 before
8 the date of the enactment of this Act may be amended to
9 provide for payments authorized by section 114 of the Hous-
10 ing Act of 1949.

11 (c) Section 106 of the Housing Act of 1949 is amended
12 by striking out subsection (f).

13 INCENTIVES FOR LOCAL REALTY TAX ABATEMENT FOR
14 SECTION 221(d)(3) PROJECTS

15 SEC. 307. Section 110(d) of the Housing Act of
16 1949 is amended by striking out “and (3)” and inserting
17 in lieu thereof the following: “(3) the amount of any abate-
18 ment of realty taxes granted by appropriate authority in
19 reduction of realty taxes which would, except for such abate-
20 ment, be payable by a project the mortgage on which is
21 insured under section 221 of the National Housing Act and
22 bears an interest rate fixed pursuant to the proviso in section
23 221(d)(5) of such Act; and (4)”.

REHABILITATION LOANS

SEC. 308. (a) To assist rehabilitation in an urban renewal area and thereby reduce the need for demolition and removal of structures, the Housing and Home Finance Administrator is hereby authorized, through the utilization of local public and private agencies where feasible, to make loans as herein provided to the owners or tenants of property in such area to finance rehabilitation required to make the property conform to applicable code requirements or to carry out the objectives of the urban renewal plan for the area. No loan shall be made under this section unless the Administrator finds (1) that the applicant is unable to secure the necessary funds from other sources upon reasonable terms and conditions, and (2) the loan is an acceptable risk taking into consideration the need for the rehabilitation, the security available for the loan, and the ability of the applicant to repay the loan.

(b) For the purposes of this section—

(1) the term “rehabilitation” means the improvement or repair of a structure or facilities in connection with a structure, and may include the provision of such sanitary or other facilities as are required by applicable codes or the urban renewal plan to be provided by the owner or tenant of the property;

(2) the term “urban renewal area” means a slum

1 *area or a blighted, deteriorated, or deteriorating area as*
2 *defined in section 110(a) of the Housing Act of 1949;*

3 *(3) the term "tenant" means a person or organiza-*
4 *tion who is occupying a structure under a lease having*
5 *a period to run at the time a rehabilitation loan is made*
6 *under this section of not less than the term of the loan;*
7 *and*

8 *(4) the term "Administrator" means the Housing*
9 *and Home Finance Administrator.*

10 *(c) A rehabilitation loan made under this section shall*
11 *be subject to the following limitations:*

12 *(1) The loan shall be subject to such terms and condi-*
13 *tions as may be prescribed by the Administrator.*

14 *(2) The term of the loan may not exceed fifteen years*
15 *or three-fourths of the remaining economic life of the struc-*
16 *ture after rehabilitation, whichever is less.*

17 *(3) The loan shall bear interest at such rate as the Ad-*
18 *ministrator determines to be appropriate but not to exceed*
19 *3 per centum per annum of the amount of the principal out-*
20 *standing at any time, and the Administrator may prescribe*
21 *such other charges as he finds necessary, including service*
22 *charges and appraisal, inspection, and other fees.*

23 *(4) The amount of the loan may not exceed—*

24 *(A) in the case of residential property, the amount*
25 *of a loan which could be insured by the Federal Hous-*

1 *ing Commissioner under section 220(h) of the National*
2 *Housing Act; and*

3 *(B) in the case of nonresidential property, \$50,000,*
4 *or the cost of rehabilitation, or an amount which when*
5 *added to any outstanding indebtedness related to the*
6 *property securing the loan creates a total outstanding*
7 *indebtedness that exceeds the amount of a loan which*
8 *the Administrator determines could be reasonably se-*
9 *cured by a first mortgage on the property.*

10 *(5) A loan shall be secured as determined by the Ad-*
11 *ministrator.*

12 *(d) There is authorized to be appropriated not to ex-*
13 *ceed \$50,000,000 which shall constitute a revolving fund*
14 *to be used by the Administrator in carrying out this section.*

15 *(e) In the performance of, and with respect to, the*
16 *functions, powers, and duties vested in him by this section,*
17 *the Administrator shall have (in addition to any authority*
18 *otherwise vested in him) the functions, powers, and duties*
19 *set forth in section 402 of the Housing Act of 1950 (except*
20 *subsection (c)(2)).*

21 *(f) The Administrator is authorized to delegate to or use*
22 *as his agent any local public or private agency or organiza-*
23 *tion to the extent he determines appropriate and desirable*
24 *to carry out the objectives of this section in the area involved.*

25 *(g) The Administrator is authorized to issue such rules*

1 *and regulations and impose such requirements and conditions*
 2 *(in addition to those specified in this section) as he deter-*
 3 *mines to be desirable to carry out the objectives of this sec-*
 4 *tion, including limitations on the amount of a loan and restric-*
 5 *tions on the use of the property involved.*

6 *SELF-HELP PROGRAMS FOR COMMUNITY IMPROVEMENT*

7 *SEC. 309. Section 101(d) of the Housing Act of 1949*
 8 *is amended by inserting immediately after "local urban re-*
 9 *newal programs" the following: "(including rehabilitation*
 10 *projects requiring no additional assistance under this title or*
 11 *self-liquidating redevelopment projects)".*

12 *URBAN RENEWAL DEMONSTRATION PROGRAM*

13 *SEC. 310. Section 314 of the Housing Act of 1954 is*
 14 *amended—*

15 *(1) by inserting "(a)" after "314." at the begin-*
 16 *ning of the section;*

17 *(2) by inserting before the period at the end of the*
 18 *second sentence the following: " , but such a grant may*
 19 *in addition cover the full cost of writing and publishing*
 20 *the reports on such activities and undertakings";*

21 *(3) by inserting "activities and" before "under-*
 22 *takings" in the third sentence;*

23 *(4) by striking out the fourth and fifth sentences;*

24 *and*

1 (5) by adding at the end thereof the following new
2 subsections:

3 “(b) The Administrator is further authorized to pay for
4 the cost of (1) writing and publishing reports on activities
5 and undertakings financed by grants made under this sec-
6 tion, as well as reports on similar activities and undertakings,
7 not so financed, which are of significant value in furthering
8 the purposes of this section, and (2) writing and publishing
9 summaries and other informational material on such reports.

10 “(c) The aggregate amount of grants made under sub-
11 section (a), and other costs incurred pursuant to subsection
12 (b), shall not exceed \$10,000,000 and shall be payable from
13 the grant funds provided under and authorized by section 103
14 (b) of the Housing Act of 1949. The Administrator may
15 make advance or progress payments on account of any con-
16 tract entered into pursuant to this section, notwithstanding
17 the provisions of section 3648 of the Revised Statutes, as
18 amended.”

19 URBAN AND REGIONAL PLANNING GRANTS

20 SEC. 311. (a) Section 701(a) of the Housing Act of
21 1954 is amended by striking out “resulting from rapid
22 urbanization” in clause (B) of paragraph (1).

23 (b) Section 701(a) of such Act is amended—

24 (1) by striking out the period at the end of para-
25 graph (5) and inserting in lieu thereof a semicolon; and

(2) by adding after paragraph (5) the following new paragraph:

“(6) metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1); and”.

PLANNING GRANT AUTHORIZATION

SEC. 312. Section 701(b) of the Housing Act of 1954 is amended by striking out “\$75,000,000” in the last sentence and inserting in lieu thereof “\$105,000,000”.

PLANNING GRANTS FOR INDIAN RESERVATIONS

SEC. 313. (a) Section 701(a) of the Housing Act of 1954 is amended—

(1) by striking out “and” at the end of clause (B) of paragraph (1);

(2) by inserting “, and (D) Indian reservations” before the semicolon at the end of paragraph (1); and

(3) by adding after paragraph (6) (as added by section 311(b) of this Act) the following new paragraph:

“(7) tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning

1 *for an Indian reservation to which no State planning*
 2 *agency or other agency or instrumentality is empowered*
 3 *to provide planning assistance under clause (D) of*
 4 *paragraph (1)."*

5 *(b) Section 701(d) of such Act is amended—*

6 *(1) by striking out "and urban regions" in the first*
 7 *sentence and inserting in lieu thereof "urban regions,*
 8 *and Indian reservations"; and*

9 *(2) by inserting the following after "instrumentali-*
 10 *ties" in the second sentence: ", and Indian tribal*
 11 *bodies,".*

12 *ELIGIBILITY OF COUNTIES FOR PLANNING ASSISTANCE*

13 *SEC. 314. Section 701(a) of the Housing Act of 1954*
 14 *is amended by striking out clause (A) of paragraph (1)*
 15 *and inserting in lieu thereof the following: "(A) cities and*
 16 *other municipalities having a population of less than*
 17 *50,000 according to the latest decennial census, and*
 18 *counties without regard to population: Provided, That grants*
 19 *shall be made under this paragraph for planning assistance*
 20 *to counties having a population of 50,000 or more,*
 21 *according to the latest decennial census, which are within*
 22 *metropolitan areas, only if (i) the Administrator finds that*
 23 *planning and plans for such county will be coordinated*
 24 *with the program of comprehensive planning, if any, which*

1 *is being carried out for the metropolitan area of which the*
 2 *county is a part, and (ii) the aggregate amount of the*
 3 *grants made subject to this proviso does not exceed 15*
 4 *per centum of the aggregate amount appropriated, after the*
 5 *date of enactment of the Housing Act of 1964, for the pur-*
 6 *poses of this section,".*

7 *PLANNING PROBLEMS RESULTING FROM TREATIES OR*
 8 *OTHER INTERNATIONAL AGREEMENTS*

9 *SEC. 315. Section 701(a)(4) of the Housing Act of*
 10 *1954 is amended to read as follows:*

11 *"(4) official governmental planning agencies for*
 12 *areas where (A) urban planning problems have resulted*
 13 *or are expected to result from the implementation of a*
 14 *Federal treaty or other international agreement or*
 15 *understanding, or (B) rapid urbanization has resulted*
 16 *or is expected to result from the establishment or rapid*
 17 *and substantial expansion of a Federal installation;".*

18 *SMALL BUSINESS ADMINISTRATION LOANS*

19 *SEC. 316. Section 7(b)(3) of the Small Business Act*
 20 *is amended by inserting before the period at the end thereof*
 21 *the following: "; and the purposes of a loan made pursuant*
 22 *to this paragraph may, in the discretion of the Administra-*
 23 *tion, include the purchase or construction of other premises*

1 *whether or not the borrower owned the premises from which*
2 *it was displaced”.*

3 *RELOCATION PAYMENTS IN CASES OF PROPERTY AFFECTED*
4 *BY COAL MINE SUBSIDENCE OR UNDERGROUND MINE*
5 *FIRES*

6 *SEC. 317. (a) Section 114 of the Housing Act of 1949*
7 *(as added by section 306 of this Act) is amended by re-*
8 *designating subsection (d) as subsection (e), and by in-*
9 *serting after subsection (c) the following new subsection:*
10 *“(d) In any case in which property owned by an*
11 *individual, family, business concern, or nonprofit organiza-*
12 *tion has been rendered partially or wholly unusable on*
13 *account of the subsidence or collapse of underlying coal mines,*
14 *or because of an underground mine fire or fires, relocation*
15 *payments under this section may include (in addition to*
16 *any amounts payable under subsection (b) or (c)) an*
17 *amount equal to the difference between (1) the actual mar-*
18 *ket value which such property would have if the diminution*
19 *in its value occasioned by such subsidence or collapse or*
20 *fire were ignored, and (2) the price paid for the acquisition*
21 *of such property by the local public agency.”*

22 *(b) The first sentence of section 114(a) of such Act*

1 *(as so added) is amended by striking out "organizations"*
2 *and all that follows and inserting in lieu thereof the follow-*
3 *ing: "organizations. Any contract for financial assistance*
4 *under this title shall provide that no part of the amount of*
5 *such payments (except such payments made pursuant to*
6 *subsection (d)) shall be required to be contributed as a*
7 *local grant-in-aid, and that the capital grant otherwise pay-*
8 *able for the project shall be increased by an amount equal to*
9 *(1) any of such payments made pursuant to subsection (b)*
10 *or (c), plus (2) any of such payments made pursuant to*
11 *subsection (d) reduced by the amount of the local grants-in-*
12 *aid applicable to such payments."*

13 *(c) Any contract with a local public agency which*
14 *was executed under title I of the Housing Act of 1949 be-*
15 *fore the date of the enactment of this Act may be amended to*
16 *provide for payments authorized by the amendments made*
17 *by this section so long as the project involved has not yet*
18 *been completed on such date.*

19 *(d) Section 15(8) of the United States Housing Act*
20 *of 1937 (as added by section 406 of this Act) is amended*
21 *by striking out "section 114 (b) or (c)" and inserting in*
22 *lieu thereof "section 114 (b), (c), or (d)".*

1 *TITLE IV—HOUSING FOR LOW-INCOME*
2 *FAMILIES*

3 ELIGIBILITY OF DISPLACED INDIVIDUALS FOR LOW-RENT
4 PUBLIC HOUSING

5 SEC. 401. (a) Section 2(2) of the United States Hous-
6 ing Act of 1937 is amended to read as follows:

7 “(2) The term ‘families of low income’ means families
8 (including elderly and displaced families) who are in the
9 lowest income group and who cannot afford to pay enough
10 to cause private enterprise in their locality or metropolitan
11 area to build an adequate supply of decent, safe, and sanitary
12 dwellings for their use. The term ‘families’ includes families
13 consisting of a single person in the case of elderly families
14 and displaced families, and includes the remaining member
15 of a tenant family. The term ‘elderly families’ means fami-
16 lies whose heads (or their spouses), or whose sole members,
17 have attained the age at which an individual may elect to
18 receive an old-age insurance benefit under title II of the So-
19 cial Security Act or are under a disability as defined
20 in section 223 of that Act. The term ‘displaced families’
21 means families displaced by urban renewal or other govern-
22 mental action.”

23 *(b) Section 10(g)(2) of such Act is amended by*

1 striking out "those displaced by urban renewal or other gov-
 2 ernmental action" and inserting in lieu thereof "displaced
 3 families".

4 (c) Section 15(7)(b) of such Act is amended by
 5 striking out "family displaced by urban renewal or other
 6 governmental action" in clause (ii) and inserting in lieu
 7 thereof "displaced family".

8 ADDITIONAL SUBSIDY FOR URBAN RENEWAL AND LOW-
 9 RENT HOUSING DISPLACEES

10 SEC. 402. Section 10(a) of the United States Housing
 11 Act of 1937 is amended by inserting before the period at the
 12 end of the third sentence the following: ": Provided further,
 13 That such an additional payment may also be made, on the
 14 same terms and conditions and subject to the same limitations,
 15 with respect to a unit occupied on the last day of the project
 16 fiscal year by a displaced family if such family was displaced
 17 by an urban renewal or low-rent housing project on or after
 18 January 27, 1964, and if and to the extent that the rental of
 19 such unit was less than the rental which, in the determina-
 20 tion of the Authority based on average or estimated average
 21 project rentals, would have been established in leasing the
 22 unit to another family which was neither an elderly family
 23 nor similarly displaced".

1 INCREASE IN AUTHORIZATION FOR ANNUAL
2 CONTRIBUTIONS

3 *SEC. 403. Section 10(e) of the United States Housing*
4 *Act of 1937 is amended by inserting immediately after "per*
5 *annum," the following: "which limit shall be increased by*
6 *\$27,000,000 on the date of the enactment of the Housing*
7 *Act of 1964,".*

8 *PAYMENTS IN LIEU OF TAXES BY LOCAL HOUSING*
9 *AUTHORITIES; LOCAL CONTRIBUTIONS*

10 *SEC. 404. Section 10(h) of the United States Hous-*
11 *ing Act of 1937 is amended by striking out all that follows*
12 *the first colon and inserting in lieu thereof the following:*
13 *“Provided, That, with respect to any such project which is*
14 *not exempt from all real and personal property taxes levied*
15 *or imposed by the State, city, county, or other political sub-*
16 *divisions, such contract shall provide, in lieu of the require-*
17 *ment for tax exemption and payments in lieu of taxes, that*
18 *no annual contributions by the Authority shall be made avail-*
19 *able for such project unless and until the State, city, county,*
20 *or other political subdivisions in which such project is situ-*
21 *ated shall contribute, in the form of cash or tax remission, the*
22 *amount by which the taxes paid with respect to the project*
23 *exceed 10 per centum of the annual shelter rents charged in*
24 *such project: Provided further, That, prior to execution*
25 *of the contract for annual contributions the public housing*

1 agency shall, in the case of a tax-exempt project, notify the
2 governing body of the locality of its estimate of the annual
3 amount of such payments in lieu of taxes and of the amount
4 of taxes which would be levied if the property were privately
5 owned, or, in the case where the project is taxed, its esti-
6 mate of the annual amount of the local cash contribution, and
7 shall thereafter include the actual amounts of such payments
8 or contributions in its annual report. Contracts for annual
9 contributions entered into prior to the effective date of the
10 Housing Act of 1964 may be amended in accordance with the
11 first sentence of this subsection.”

12 RELOCATION OF FAMILIES AND INDIVIDUALS DISPLACED
13 FROM PROJECT SITES

14 SEC. 405. (a) Section 15(7)(b) of the United States
15 Housing Act of 1937 is amended by striking out “and”
16 before “(ii)”, and by inserting before the period at the
17 end thereof the following: “; and (iii) unless the public
18 housing agency has demonstrated to the satisfaction of the
19 Authority that there is a feasible method for the temporary
20 relocation of the displaced families from the project site, and
21 that there are or are being provided, in the project area or
22 in other areas not generally less desirable in regard to public
23 utilities and public and commercial facilities and at rents or
24 prices within the financial means of such displaced families,
25 decent, safe, and sanitary dwellings equal in number to the

1 number of and available to such displaced families and rea-
2 sonably accessible to their places of employment”.

3 (b) The amendments made by subsection (a) shall not
4 be applicable to any project for which an application for pre-
5 liminary loan has been approved by the local governing
6 body prior to the date of the enactment of this Act.

7 RELOCATION PAYMENTS

8 SEC. 406. Section 15 of the United States Housing Act
9 of 1937 is amended by adding at the end thereof the fol-
10 lowing new paragraph:

11 “(8) The Authority may authorize the cost of reloca-
12 tion payments made by public housing agencies to be in-
13 cluded with the development or acquisition cost of any
14 project for purposes of determining the amount of loans
15 and annual contributions authorized to be made with respect
16 to such project under sections 9 and 10, but such costs
17 shall be separately stated as relocation costs and shall be
18 excluded from any amounts on which the computation of
19 annual contributions is based for purposes of determin-
20 ing the amount of local contributions required with
21 respect to such project under section 10(h). For purposes
22 of this paragraph, a ‘relocation payment’ is a payment (i)
23 which is made to an individual, family, business concern, or
24 nonprofit organization displaced on or after January 27,
25 1964, from a low-rent housing project site as a result of

1 *the acquisition of real property by a public housing agency,*
 2 *(ii) which is not otherwise authorized under any Federal*
 3 *law, and (iii) which is made only on such terms and con-*
 4 *ditions, and subject to such limitations, as are authorized*
 5 *(as of the time such payment is approved) under section*
 6 *114 (b) or (c) of the Housing Act of 1949 for relocation*
 7 *payments made to individuals, families, business concerns, or*
 8 *nonprofit organizations, as the case may be."*

9 *LOW-INCOME HOUSING DEMONSTRATION PROGRAM*

10 *AUTHORIZATION*

11 *SEC. 407. Section 207 of the Housing Act of 1961 is*
 12 *amended by striking out "\$5,000,000" and inserting in lieu*
 13 *thereof "\$10,000,000".*

14 *TITLE V—RURAL HOUSING*

15 *EXTENSION OF SENIOR CITIZENS RENTAL HOUSING*

16 *INSURANCE PROGRAM*

17 *SEC. 501. Section 515(b)(5) of the Housing Act of*
 18 *1949 is amended by striking out "September 30, 1964" and*
 19 *inserting in lieu thereof "September 30, 1965".*

20 *RURAL HOUSING DIRECT LOAN PROGRAM*

21 *SEC. 502. (a) Section 511 of the Housing Act of 1949*
 22 *is amended by striking out "\$700,000,000" and inserting in*
 23 *lieu thereof "\$850,000,000".*

24 *(b) Section 502(a) of such Act is amended by insert-*
 25 *ing after "a loan may be made by the Secretary to said*

1 applicant" the following: "in a principal amount not ex-
 2 ceeding \$15,000,".

3 *DEFINITION OF DOMESTIC FARM LABOR*

4 *SEC. 503. Section 514(f)(3) of the Housing Act of*
 5 *1949 is amended to read as follows:*

6 *"(3) the term 'domestic farm labor' means persons*
 7 *who receive a substantial portion (as determined by the*
 8 *Secretary) of their income as laborers on farms situated*
 9 *in the United States and either (A) are citizens of the*
 10 *United States or (B) reside in the United States after*
 11 *being legally admitted for permanent residence therein."*

12 *TITLE VI—FEDERAL-STATE TRAINING*
 13 *PROGRAMS*

14 *FINDINGS AND PURPOSE*

15 *SEC. 601. (a) The Congress finds that the rapid expan-*
 16 *sion of the Nation's urban areas and urban population has*
 17 *caused severe problems in urban and suburban development*
 18 *and created a national need to (1) provide special training*
 19 *in skills needed for economic and efficient community devel-*
 20 *opment and (2) support research in new or improved meth-*
 21 *ods of dealing with community development problems.*

22 *(b) It is the purpose of this title to assist and encourage*
 23 *the States, in cooperation with public or private universities*
 24 *and colleges and urban centers, to (1) organize, initiate,*
 25 *develop, and expand programs which will provide special*

1 *training in skills needed for economic and efficient commu-*
 2 *nity development to those technical and professional people*
 3 *who are, or are likely to be, employed by a governmental or*
 4 *public body which has responsibilities for community devel-*
 5 *opment; and (2) support State and local research that is*
 6 *needed in connection with housing programs and needs,*
 7 *public improvement programing, code problems, efficient*
 8 *land use, urban transportation, and similar community*
 9 *development problems.*

10 *MATCHING GRANTS TO STATES*

11 *SEC. 602. (a) Subject to the provisions of this title and*
 12 *in accordance with regulations prescribed by him, the Ad-*
 13 *ministrator may make matching grants to States to assist*
 14 *in—*

15 *(1) organizing, initiating, developing, or expand-*
 16 *ing programs to provide special training in skills needed*
 17 *for economic and efficient community development to*
 18 *those technical and professional people who are, or are*
 19 *likely to be, employed by a governmental or public*
 20 *body which has responsibilities for community develop-*
 21 *ment; and*

22 *(2) supporting State and local research that is*
 23 *needed in connection with housing programs and needs,*
 24 *public improvement programing, code problems, effi-*
 25 *cient land use, urban transportation, and similar com-*

1 *munity development problems, and collecting, collating,*
2 *and publishing statistics and information relating to*
3 *such research.*

4 *(b) No grants may be made to a State under this title*
5 *unless the Administrator has approved a plan for the State*
6 *which—*

7 *(1) sets forth the proposed use of the funds and*
8 *the objectives to be accomplished;*

9 *(2) explains the method by which the required*
10 *amounts from non-Federal sources will be obtained;*

11 *(3) provides such fiscal control and fund account-*
12 *ing procedures as may be reasonably necessary to assure*
13 *proper disbursement of, and accounting for, Federal*
14 *funds paid to the State under this title;*

15 *(4) designates an officer or agency of the State*
16 *government who has responsibility and authority for*
17 *the administration of a statewide research and training*
18 *program as the officer or agency with responsibility and*
19 *authority for the execution of the State program under*
20 *this title; and*

21 *(5) provides that such officer or agency will make*
22 *such reports to the Administrator, in such form, and*
23 *containing such information, as may be reasonably neces-*
24 *sary to enable the Administrator to perform his duties*
25 *under this title.*

1 (c) No grant may be made under this title for any use
2 unless an amount at least equal to such grant is made avail-
3 able from non-Federal sources for the same purpose and
4 for concurrent use.

5 (d) There is authorized to be appropriated for grants
6 under this title, without fiscal year limitation, not to exceed
7 \$10,000,000.

8 STATE LIMIT

9 SEC. 603. Not more than 10 per centum of the total
10 amount authorized to be appropriated by section 602(d)
11 may be used for making grants to any one State.

12 TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF
13 INFORMATION

14 SEC. 604. In order to carry out the purpose of this title,
15 the Administrator is authorized to provide technical assist-
16 ance to State and local governmental or public bodies and to
17 undertake such studies and publish and distribute such infor-
18 mation, either directly or by contract, as he shall determine
19 to be desirable. Nothing contained in this title shall limit
20 any authority of the Administrator under any other provision
21 of law.

22 MISCELLANEOUS

23 SEC. 605. (a) As used in this title, the term "State"
24 means any State of the United States, the District of Colum-
25 bia, the Commonwealth of Puerto Rico, and the Virgin

1 *Islands; and the term "Administrator" means the Housing*
 2 *and Home Finance Administrator.*

3 *(b) There are authorized to be appropriated such sums*
 4 *as may be necessary for administrative and other expenses*
 5 *in carrying out this title.*

6 *TITLE VII—COMMUNITY FACILITIES*

7 *PUBLIC FACILITY LOANS*

8 *SEC. 701. (a) Section 202(a) of the Housing Amend-*
 9 *ments of 1955 is amended by striking out "instrumentalities*
 10 *of States" in clause (1) of the first sentence and inserting*
 11 *in lieu thereof "instrumentalities of one or more States", and*
 12 *by striking out "in the same State" in such clause and insert-*
 13 *ing in lieu thereof "of one or more States".*

14 *(b) Section 202(b)(4) of such Amendments is*
 15 *amended by inserting "(A)" before "to any municipality"*
 16 *in the first sentence, and by striking out everything in such*
 17 *sentence after "most recent decennial census, or" and*
 18 *inserting in lieu thereof the following: "(B) to any public*
 19 *agency or instrumentality serving one or more municipalities,*
 20 *political subdivisions, or unincorporated areas in one or more*
 21 *States, unless each municipality, political subdivision, and un-*
 22 *incorporated area to be served by the specific public work or*
 23 *facility for which assistance is sought under this section has*
 24 *a population less than the applicable figure under clause (A)*
 25 *according to such census."*

ADVANCES FOR PUBLIC WORKS PLANNING

SEC. 702. (a) *Section 702(e) of the Housing Act of 1954 is amended to read as follows:*

“(e) *In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances (and claims in connection with advances) outstanding as of such date, under title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-2). There are authorized to be appropriated to such revolving fund, in addition to amounts authorized to be appropriated for the purposes of this section prior to the date of the enactment of the Housing Act of 1964, such sums, not to exceed \$20,000,000, as may be necessary to carry out the purposes of this section.*”

(b) *Section 702 of such Act is further amended by adding at the end thereof the following new subsection:*

“(h)(1) *Notwithstanding any other provision of law, if a public agency or Indian tribe undertakes to construct only a portion of a public work planned with an advance*

1 under this section, under title V of the War Mobilization and
2 Reconversion Act of 1944, or under the Act of October
3 13, 1949, it shall repay only such proportionate amount of
4 the advance relating to the public work as the Administrator
5 determines to be equitable.

6 “(2) The Administrator is authorized to terminate,
7 upon such terms and conditions as he shall deem equitable,
8 all or a portion of the liability for repayment of any ad-
9 vance made under this section, title V of the War
10 Mobilization and Reconversion Act of 1944, or the Act of
11 October 13, 1949. Whenever the Administrator determines
12 that there is no reasonable likelihood that the public work,
13 or a portion of the public work, planned with such advance
14 will be constructed, he may terminate the agreement for the
15 advance. Such determination shall be conclusive and shall
16 be based on standards prescribed by regulations to be issued
17 by the Administrator.”

18 (c) Section 702 of such Act is further amended—

19 (1) by striking out “public agencies” wherever
20 that term appears in subsection (a) and inserting in
21 lieu thereof “public agencies and Indian tribes”;

22 (2) by striking out “public agency” in clause (3)
23 of subsection (b) and inserting in lieu thereof “public
24 agency or Indian tribe”;

25 (3) by striking out “to any public agency” and

“by the public agency” in subsection (c) and inserting in lieu thereof “to any public agency or Indian tribe” and “by the public agency or Indian tribe”, respectively, and by striking out “by such agency” in such subsection and inserting in lieu thereof “by such agency or tribe”; and

(4) by striking out “That if ” and all that follows down through “And provided further,” in subsection (c).

(d) Section 702(f) of such Act is amended by striking out “\$50,000” and inserting in lieu thereof “\$100,000”.

(e) Section 702(a) of such Act is amended by inserting immediately before the first colon the following: “, including, in the case of public works to be constructed in connection with the development of a medical center, a general plan for the development of such center”.

(f) Section 702(b) of such Act is amended by striking out the last sentence.

TITLE VIII—SAVINGS AND LOAN ASSOCIATIONS

SEC. 801. (a) The first sentence of section 5(c) of the Home Owners’ Loan Act of 1933 is amended by striking out “fifty miles” and inserting in lieu thereof “one hundred miles”.

(b) The third sentence of section 403(b) of the National Housing Act is amended by striking out all that pre-

1 cedes the first semicolon and inserting in lieu thereof the
 2 following: "Each applicant for such insurance shall also file
 3 with its application an agreement that during the period
 4 that the insurance is in force it will not make any loans be-
 5 yond one hundred miles from its principal office, except (1)
 6 loans in the area beyond such one-hundred-mile limit in
 7 which it was operating prior to June 27, 1934, and (2)
 8 loans which are made pursuant to regulations of the Cor-
 9 poration: Provided, That such agreement shall further pro-
 10 vide that any loan made beyond fifty miles from the appli-
 11 cant's principal office (and outside the territory in which it
 12 was operating on such date) shall also be subject to such
 13 regulations".

14 SEC. 802. The first proviso in section 5(c) of the Home
 15 Owners' Loan Act of 1933 is amended—

16 (1) by striking out "\$35,000" and inserting in
 17 lieu thereof "\$40,000"; and

18 (2) by striking out " , except that the aggregate
 19 sums invested pursuant to the two exceptions in this
 20 proviso shall not exceed 30 per centum of the assets of
 21 such association".

22 SEC. 803. The next to last paragraph of section 5(c)
 23 of the Home Owners' Loan Act of 1933 is amended to read
 24 as follows:

1 *“Without regard to any other provision of this subsec-*
2 *tion, any such association is authorized to invest not more*
3 *than 5 per centum of its assets in, or in interests in, real*
4 *property located within urban renewal areas as defined in*
5 *subsection (a) of section 110 of the Housing Act of 1949*
6 *and obligations secured by first liens on real property so*
7 *located, but no investment shall be made by an association*
8 *under this sentence in real property or any interest therein*
9 *if the aggregate investment of the association under this sen-*
10 *tence in real property and interests therein, determined as*
11 *prescribed by the Board, would thereupon exceed 2 per*
12 *centum of the assets of the association.”*

13 *SEC. 804. Section 5(c) of the Home Owners' Loan Act*
14 *of 1933 is amended by adding at the end thereof a new para-*
15 *graph as follows:*

16 *“For the purpose of this section the terms ‘real prop-*
17 *erty’ and ‘real estate’ shall include a leasehold or sublease-*
18 *hold estate in real property under a lease or sublease the*
19 *term of which does not expire, or which is renewable auto-*
20 *matically or at the option of the holder (or at the option of*
21 *the association) so as not to expire, for at least fifteen years*
22 *beyond the maturity of the debt, or for such shorter period*
23 *as the Board by regulation, may prescribe.”*

24 *SEC. 805. Section 5(c) of the Home Owners' Loan*

1 *Act of 1933 is further amended by adding at the end*
2 *thereof (after the paragraph added by section 804 of this*
3 *Act) the following new paragraph:*

4 *“Any such association is authorized to invest in the*
5 *capital stock, obligations, or other securities of any corpora-*
6 *tion organized under the laws of the State, District, Com-*
7 *monwealth, territory, or possession in which the home office*
8 *of the association is located, if the entire capital stock of such*
9 *corporation is available for purchase only by savings and*
10 *loan associations of that State, District, Commonwealth,*
11 *territory, or possession and by Federal savings and loan*
12 *associations having their home offices therein, but no asso-*
13 *ciation may make any investment under this sentence if its*
14 *aggregate outstanding investment under this sentence, deter-*
15 *mined as prescribed by the Board, would thereupon exceed*
16 *1 per centum of its assets.”*

17 *SEC. 806. Section 10(b) of the Federal Home Loan*
18 *Bank Act is amended—*

19 *(1) by striking out “twenty-five” in clause (1)*
20 *and inserting in lieu thereof “thirty”; and*

21 *(2) by striking out “\$35,000” in clause (2) and*
22 *inserting in lieu thereof “\$40,000”.*

23 *SEC. 807. The second proviso in the first paragraph of*
24 *section 5(c) of the Home Owners’ Loan Act of 1933 is*

1 amended by striking out "or in the obligations of the Fed-
2 eral National Mortgage Association" and inserting in lieu
3 thereof the following: "; or in obligations of the Federal
4 National Mortgage Association or of any other agency of
5 the United States; or in obligations of or guaranteed by, or
6 special obligations (which may be defined by the Board)
7 issued by, any one or more of the following: any State, any
8 county, municipality, or political subdivision of any State,
9 or any district, public instrumentality, or public authority of
10 any one or more of the foregoing; and as used in this proviso
11 the term 'State' shall include the District of Columbia, the
12 Commonwealth of Puerto Rico, and the possessions of the
13 United States".

14 SEC. 808. The first sentence of the second paragraph of
15 section 5(c) of the Home Owners' Loan Act of 1933 is
16 amended to read as follows: "Without regard to any other
17 provision of this subsection except the area requirement,
18 any such association is authorized to invest a sum not in
19 excess of 20 per centum of the assets of such association in
20 loans insured under title I of the National Housing Act, in
21 home improvement loans insured under title II of the Na-
22 tional Housing Act, in unsecured loans insured or guaranteed
23 under the provisions of the Servicemen's Readjustment Act
24 of 1944, as amended, or chapter 37 of title 38 of the United

1 *States Code, and in other loans for property alteration, re-*
2 *pair, or improvement: Provided, That no such loan, unless*
3 *so insured or guaranteed, shall be made in excess of \$5,000."*

4 *SEC. 809. Title IV of the National Housing Act is*
5 *amended by adding at the end thereof the following new*
6 *section:*

7 "INVESTMENT OF CERTAIN FUNDS IN ACCOUNTS OF
8 INSURED INSTITUTIONS

9 "SEC. 409. The savings accounts and share accounts
10 held by institutions insured by the Corporation, to the extent
11 they are insured by the Corporation, shall be lawful invest-
12 ments and may be accepted as security for all public funds
13 of the United States, fiduciary and trust funds under the
14 authority or control of the United States or any officer or
15 officers thereof, and for the funds of all corporations orga-
16 nized under the laws of the United States, regardless of any
17 limitation of law upon the investment of any such funds
18 or upon the acceptance of security for the investment or
19 deposit of any of such funds."

20 *SEC. 810. Section 5(c) of the Home Owners' Loan Act*
21 *of 1933 is amended by inserting after the second paragraph*
22 *the following new paragraph:*

23 "Without regard to any other provision of this subsec-
24 tion, any such association is authorized to invest in loans,
25 obligations, and advances of credit (all of which are herein-

1 after referred to as 'loans') made for the payment of expenses
 2 of college or university education, but no association shall
 3 make any investment in loans under this paragraph if the
 4 principal amount of its investment in such loans, exclusive
 5 of any investment which is or which at the time of its making
 6 was otherwise authorized, would thereupon exceed 5 per
 7 centum of its assets."

8 TITLE IX—MISCELLANEOUS

9 FNMA—REMOVAL OF \$20,000 MORTGAGE AMOUNT

10 LIMITATION

11 SEC. 901. Section 302(b) of the National Housing
 12 Act is amended—

13 (1) by striking out "any mortgage" in clause (3)
 14 and inserting in lieu thereof "any mortgage under
 15 section 305"; and

16 (2) by striking out the proviso in clause (3).

17 FNMA—NINETY PER CENTUM LOANS

18 SEC. 902. Section 304(a)(2) of the National Housing
 19 Act is amended by striking out "80 per centum" and in-
 20 serting in lieu thereof "90 per centum".

21 TRANSFER OF MORTGAGOR'S EQUITY IN RESIDENCE

22 COVERED BY FHA-INSURED MORTGAGE

23 SEC. 903. (a) If—

24 (1) an individual is the mortgagor under a
 25 mortgage which is insured under the National Housing

1 *Act and which covers a one-, two-, three-, or four-family*
2 *residence being used by such individual as his principal*
3 *residence;*

4 (2) *such individual is not in default on any pay-*
5 *ments under such mortgage, and either (A) at least one*
6 *year has expired since the date of the execution of the*
7 *mortgage or (B) such individual's equity in the property*
8 *covered by the mortgage is at least \$500; and*

9 (3) *such individual is required to move to a new*
10 *location in the United States for reasons of health,*
11 *because of a change in his employment, or for any other*
12 *cause determined by the Federal Housing Commissioner*
13 *to be reasonable or unavoidable,*

14 *then, under regulations prescribed by the Federal Housing*
15 *Commissioner, such individual may transfer his equity in the*
16 *property to a similar dwelling in the new location, in the*
17 *manner provided by subsection (b).*

18 (b) *An individual desiring to transfer his equity as pro-*
19 *vided in subsection (a) shall make application therefor to*
20 *the Federal Housing Commissioner in such manner and*
21 *form, and in accordance with such terms and conditions, as*
22 *the Commissioner may require. The Commissioner may ap-*
23 *prove the application if he finds that the individual meets the*
24 *conditions specified in subsection (a) and in the preceding*
25 *sentence, and if the Commissioner holds title to a dwelling in*

1 the new location (acquired by him under section 204, 213(e),
 2 220(f)(1), 221(g)(1), 222(d), 233(e), or 809(d) of
 3 the National Housing Act, or in any other manner) which
 4 such individual desires to purchase for use as his principal
 5 residence in the new location. Upon approving the applica-
 6 tion the Commissioner shall effect the transfer of the in-
 7 dividual's equity by accepting the conveyance from him of
 8 title to his existing dwelling and selling to him the dwelling
 9 in the new location, for cash or credit and on terms and con-
 10 ditions as nearly equivalent to those applicable to the existing
 11 dwelling as may be practicable, but in any case reducing the
 12 purchase price thereof by an amount equal to the equity held
 13 by such individual in the existing dwelling.

14 (c) As used in this section, the term "equity", with
 15 respect to any property, means the amount determined by
 16 the Federal Housing Commissioner to be the value of the
 17 owner's interest in the property after deducting an amount
 18 equal to the customary sales expense and conveyancing costs
 19 prevailing in the locality for similar properties.

20 OPEN-SPACE PROGRAM—GRANT AUTHORIZATION

21 SEC. 904. Section 702(b) of the Housing Act of 1961
 22 is amended—

23 (1) by striking out "\$50,000,000" and inserting in
 24 lieu thereof "75,000,000"; and

1 (2) by adding at the end thereof the following:
2 *“All funds so appropriated shall remain available until*
3 *expended.”*

4 COLLEGE HOUSING LOANS

5 *SEC. 905. The second paragraph of section 404(b) of*
6 *the Housing Act of 1950 is amended by adding at the end*
7 *thereof the following new sentence: “Where State law would*
8 *prevent the institution (or all of the institutions) for whose*
9 *students or students and faculty the housing is to be provided*
10 *from cosigning the note, the Administrator shall instead re-*
11 *quire the approval of the corporation and the proposed proj-*
12 *ect by such institution (or by any one or more of such in-*
13 *stitutions).”*

14 ACQUISITION OF CERTAIN HOUSING BY SECRETARY OF
15 DEFENSE

16 *SEC. 906. The first sentence of section 404(a) of the*
17 *Housing Amendments of 1955 is amended by inserting be-*
18 *fore the period at the end thereof the following: “, or (3)*
19 *any housing situated on or adjacent to a military installation*
20 *which was (A) completed prior to July 1, 1952, (B)*
21 *considered by the Department of Defense, prior to con-*
22 *struction, as being necessary to meet an existing military*
23 *family housing need and considered as military housing by*
24 *the Federal Housing Commissioner, and (C) financed with*

1 mortgages insured under section 608 of the National Housing
2 Act, including adjacent property constructed primarily to
3 provide commercial facilities for the occupants of such
4 housing''.

5 FOREST HILLS PROJECT IN PADUCAH, KENTUCKY

6 SEC. 907. The Federal Housing Commissioner is
7 authorized and directed to sell to the Paducah-McCracken
8 County Development Council, Incorporated, of Paducah,
9 Kentucky, for use as a public facility (including such use by
10 the Paducah Junior College as may be deemed appropriate
11 by such Council), and for a total price of \$1,000,000, all
12 right, title, and interest of the United States in and to the
13 housing project in Paducah known as Forest Hills (a project
14 constructed under title VIII of the National Housing Act
15 as in effect prior to August 11, 1955, and subsequently
16 acquired by the Federal Housing Administration).

17 PAYMENT IN LIEU OF TAXES BY HAWAII HOUSING

18 AUTHORITY

19 SEC. 908. Notwithstanding the provisions of any other
20 law or any contract or rule of law, the Public Housing
21 Commissioner shall approve a payment in lieu of taxes to
22 be made for the fiscal year ended June 30, 1959, in the
23 amount of \$24,167.78, by the Hawaii Housing Authority to
24 the city and county of Honolulu.

1 *TRANSFER OF LAND FOR URBAN RENEWAL PURPOSES BY*
2 *PHILADELPHIA HOUSING AUTHORITY*

3 *SEC. 909. (a) Notwithstanding the provisions of title*
4 *I of the Housing Act of 1949 and the United States Hous-*
5 *ing Act of 1937, the Housing and Home Finance Admin-*
6 *istrator and the Public Housing Commissioner are author-*
7 *ized and directed to consent to the transfer by the Phila-*
8 *delphia Housing Authority to the Philadelphia Redevelop-*
9 *ment Authority of all property acquired by the Housing*
10 *Authority for low-rent housing project numbered Pennsyl-*
11 *vania 2-51, on condition that (1) an amount which,*
12 *together with any funds of the Housing Authority available*
13 *for the purpose, is sufficient to pay and discharge all obliga-*
14 *tions incurred by the Housing Authority in connection with*
15 *such low-rent housing project and owing at the time of*
16 *transfer, will be paid by the Redevelopment Authority to*
17 *the Public Housing Administration to be applied in satisfac-*
18 *tion of the Housing Authority's obligations which it cannot*
19 *meet with its own funds available for the purpose, and (2)*
20 *the total amount so paid by the Redevelopment Authority*
21 *will be included in the gross project cost of its Whitman*
22 *urban renewal project, Pennsylvania R-35.*

23 *(b) The Housing and Home Finance Administrator*
24 *and the Public Housing Commissioner are authorized to*
25 *modify any contracts heretofore entered into and to take any*

1 other appropriate action necessary to carry out the pro-
 2 visions of subsection (a).

3 *ELIGIBILITY OF CERTAIN LOCAL GRANTS-IN-AID*

4 *SEC. 910. Notwithstanding the date of the commence-*
 5 *ment of construction of the Fox Point hurricane dam in*
 6 *Providence, Rhode Island, local expenditures made in con-*
 7 *nection with such dam shall, to the extent otherwise eligible,*
 8 *be counted as a local grant-in-aid to the railroad relocation*
 9 *urban renewal project (Rhode Island R-8) in accordance*
 10 *with the provisions of title I of the Housing Act of 1949.*

Passed the Senate July 31, 1964.

Attest: FELTON M. JOHNSTON,
Secretary.

Passed the House of Representatives with an amend-
 ment August 13, 1964.

Attest: RALPH R. ROBERTS,
Clerk.

AN ACT

To extend and amend laws relating to housing,
urban renewal, and community facilities,
and for other purposes.

AUGUST 14, 1964

Ordered to be printed as passed

| State and project | Amount in budget | Revised amount |
|---|------------------|----------------|
| Construction, general—Continued. | | |
| Construction—Continued | | |
| West Virginia: | | |
| Opekiska lock and dam..... | \$5,200,000 | \$4,800,000 |
| Summersville Reservoir..... | 7,914,000 | 8,244,000 |
| Subtotal, construction..... | 49,936,000 | 48,786,000 |
| Grand total, reprogramming..... | 50,862,000 | 50,862,000 |

* Planning funds to be taken out of budget.

* All construction funds.

² Recommendations subsequently made as follows (S. Doc. 90, July 29, 1964):

| State and project | From— | To— |
|---|--------------|--------------|
| Arkansas River and tributaries, Arkansas and Oklahoma: Navigation locks and dams..... | \$42,000,000 | \$51,500,000 |
| Central and southern Florida flood control project..... | 13,500,000 | 13,800,000 |
| Perry Reservoir, Kans..... | 6,500,000 | 8,500,000 |
| Wareham-Marion, Mass..... | 100,000 | 75,000 |
| Lukfata Reservoir, Okla..... | | 25,000 |
| Robert S. Kerr lock and dam, Oklahoma..... | 6,000,000 | 9,000,000 |
| Webbers Falls lock and dam, Oklahoma..... | 1,000,000 | 2,500,000 |
| J. Percy Priest Reservoir, Tenn..... | 8,600,000 | 12,100,000 |

MISSISSIPPI RIVER AND TRIBUTARIES

Mr. ELLENDER. For Mississippi River and tributaries, the conference report provides \$77,862,000, which is \$2,058,000 below the amount approved by the Senate; \$4,312,000 above the House;

\$6,002,000 above the budget; and the same amount as was appropriated for fiscal year 1964.

Mr. President, I ask unanimous consent to insert at this point in the Record a tabulation explaining the action of the

conferees on the appropriation for flood control, Mississippi River and tributaries.

There being no objection, the table was ordered to be printed in the Record, as follows:

Flood control, Mississippi River and tributaries, fiscal year 1965

| Construction, general, State and project (1) | Approved budget estimate for fiscal year 1965 | | House allowance | | Senate allowance | | Conference allowance | |
|--|---|-----------------|---------------------|-----------------|---------------------|-----------------|----------------------|-----------------|
| | Construction (2) | Planning (3) | Construction (4) | Planning (5) | Construction (6) | Planning (7) | Construction (8) | Planning (9) |
| 1. General investigations: | | | | | | | | |
| (a) Examinations and surveys..... | \$65,000 | | \$90,000 | | \$125,000 | | \$125,000 | |
| (b) Collection and study of basic data..... | 85,000 | | 85,000 | | 85,000 | | 85,000 | |
| Subtotal, general investigations..... | 150,000 | | 175,000 | | 210,000 | | 210,000 | |
| 2. Construction and planning: | | | | | | | | |
| Mississippi River levees..... | 3,800,000 | | 3,800,000 | | 4,000,000 | | 4,000,000 | |
| Channel improvement..... | 24,500,000 | | 26,165,000 | | 27,250,000 | | 26,892,000 | |
| Memphis Harbor..... | 600,000 | | 600,000 | | 600,000 | | 600,000 | |
| Old River control..... | 200,000 | | 200,000 | | 200,000 | | 200,000 | |
| St. Francis Basin..... | 3,700,000 | | 3,700,000 | | 3,700,000 | | 3,700,000 | |
| West Tennessee tributaries..... | 1,400,000 | | 1,400,000 | | 1,400,000 | | 1,400,000 | |
| Lower Arkansas River..... | 300,000 | | 300,000 | | 300,000 | | 300,000 | |
| Tensas Basin: | | | | | | | | |
| Boeuf and Tensas Rivers, etc..... | 900,000 | | 900,000 | | 900,000 | | 900,000 | |
| Red River backwater..... | 200,000 | | 200,000 | | 300,000 | | 300,000 | |
| Yazoo Basin: | | | | | | | | |
| Sardis Reservoir..... | 70,000 | | 70,000 | | 70,000 | | 70,000 | |
| Enid Reservoir..... | 40,000 | | 40,000 | | 40,000 | | 40,000 | |
| Arkabutla Reservoir..... | 40,000 | | 40,000 | | 40,000 | | 40,000 | |
| Grenada Reservoir..... | 50,000 | | 50,000 | | 50,000 | | 50,000 | |
| Greenwood..... | 700,000 | | 700,000 | | 700,000 | | 700,000 | |
| Upper auxiliary channels..... | 100,000 | | 100,000 | | 100,000 | | 100,000 | |
| Main stem..... | 800,000 | | 800,000 | | 800,000 | | 800,000 | |
| Tributaries..... | 1,600,000 | | 1,600,000 | | 1,600,000 | | 1,600,000 | |
| Big Sunflower River, etc..... | 650,000 | | 650,000 | | 650,000 | | 650,000 | |
| Yazoo backwater..... | 1,850,000 | | 1,850,000 | | 2,000,000 | | 2,000,000 | |
| Bayou Cocodrie and tributaries..... | 300,000 | | 300,000 | | 300,000 | | 300,000 | |
| Atchafalaya Basin..... | 7,200,000 | | 7,200,000 | | 10,000,000 | | 8,600,000 | |
| Lake Pontchartrain..... | 210,000 | | 210,000 | | 210,000 | | 210,000 | |
| Subtotal, construction and planning..... | 49,210,000 | | 50,875,000 | | 55,210,000 | | 53,452,000 | |
| Reduction for anticipated savings and slippages..... | -1,500,000 | | -1,500,000 | | -1,500,000 | | -1,500,000 | |
| Total, construction and planning..... | 47,710,000 | | 49,375,000 | | 53,710,000 | | 51,952,000 | |
| 3. Maintenance..... | 24,000,000 | | 24,000,000 | | 26,000,000 | | 25,700,000 | |
| Grand total..... | 71,860,000 | | 73,550,000 | | 79,920,000 | | 77,862,000 | |

Mr. ELLENDER. Mr. President, with respect to Title II: Bureau of Reclamation, Construction, and Rehabilitation, the conference bill provides \$185,616,500 for this item, which is \$72,500 below the amount approved by the Senate; \$3,183,-

500 above the amount allowed by the House; \$292,500 above the budget; and \$185,500 above the appropriation for 1964. Mr. President, I ask unanimous consent to insert in the record a tabu-

lation showing the action of the conferees on this item.

There being no objection, the table was ordered to be printed in the Record, as follows:

Bureau of Reclamation—Construction and rehabilitation

| Project | Budget estimate | House allowance | Senate allowance | Conference allowance | Project | Budget estimate | House allowance | Senate allowance | Conference allowance |
|--|-----------------|-----------------|------------------|----------------------|---|-----------------|-----------------|------------------|----------------------|
| Delivery of water to Mexico | | | \$2,000,000 | \$2,000,000 | Riverton project, 3d division, Wyoming | \$1,300,000 | \$1,300,000 | \$1,300,000 | \$1,300,000 |
| Malta, Mont., street improvement | | | 26,000 | 26,000 | Drainage and minor construction | 1,412,964 | 1,412,964 | 1,412,964 | 1,412,964 |
| Advance planning | \$200,000 | \$200,000 | 200,000 | 200,000 | Rehabilitation and betterment of existing projects | 4,544,251 | 4,144,251 | 4,144,251 | 4,144,251 |
| Gila project, Arizona | 1,190,000 | 1,190,000 | 1,190,000 | 1,190,000 | Reclamation office building | | | 2,650,000 | 2,650,000 |
| Colorado River front and levee system, Arizona-California | 4,265,000 | 4,665,000 | 4,665,000 | 4,665,000 | Subtotal | 132,422,015 | 128,856,015 | 137,732,015 | 137,682,015 |
| Parker-Davis project, Arizona-California-Nevada | 1,482,000 | 1,482,200 | 1,482,000 | 1,482,000 | Missouri River Basin project: | | | | |
| Central Valley project, California | 55,546,000 | 55,280,000 | 54,480,000 | 54,480,000 | Ainsworth unit, Nebraska | 6,500,000 | 6,500,000 | 6,500,000 | 6,500,000 |
| Pacific Northwest-Pacific Southwest intertie | 3,300,000 | | 3,300,000 | 3,300,000 | Almena unit, Kansas | 1,350,000 | 2,200,000 | 2,200,000 | 2,200,000 |
| Fryingpan-Arkansas project, Colorado | 6,200,000 | 6,200,000 | 6,200,000 | 6,200,000 | East Bench unit, Montana | 780,000 | 780,000 | 780,000 | 780,000 |
| Mann Creek project, Idaho | 725,000 | 225,000 | 725,000 | 725,000 | Farwell unit, Nebraska | 2,700,000 | 2,700,000 | 2,700,000 | 2,700,000 |
| Wichita project, Cheney division, Kansas | 1,480,000 | 1,480,000 | 1,480,000 | 1,480,000 | Frenchman-Cambridge division, Nebraska | 665,000 | 665,000 | 665,000 | 665,000 |
| Arbuckle project, Oklahoma | 3,500,000 | 3,500,000 | 3,500,000 | 3,500,000 | Glen Elder unit, Kansas | 8,400,000 | 8,400,000 | 8,400,000 | 8,400,000 |
| Norman project, Oklahoma | 3,221,000 | 3,221,000 | 3,221,000 | 3,221,000 | Transmission division | 22,175,000 | 22,175,000 | 21,585,000 | 21,585,000 |
| Baker project, upper division, Oregon | 700,000 | 700,000 | 700,000 | 700,000 | Yellowtail unit, Montana-Wyoming | 19,950,000 | 19,950,000 | 19,950,000 | 19,950,000 |
| Rogue River Basin project, Talent division, Agate Dam and Reservoir, Oreg. | 400,000 | 400,000 | 400,000 | 400,000 | Drainage and minor construction | 1,915,000 | 1,915,000 | 1,915,000 | 1,915,000 |
| The Dalles project, western division, Oregon | 2,393,800 | 2,393,800 | 2,393,800 | 2,393,800 | Investigations | 1,743,000 | 1,668,000 | 1,893,000 | 1,893,000 |
| Canadian River project, Texas | 22,100,000 | 22,100,000 | 22,100,000 | 22,100,000 | Advance planning | 950,000 | 850,000 | 850,000 | 850,000 |
| Lower Rio Grande rehabilitation project, La Feria division, Texas | 783,000 | 783,000 | 783,000 | 783,000 | Subtotal, Missouri River Basin project | 67,128,000 | 67,803,000 | 67,438,000 | 67,438,000 |
| Lower Rio Grande rehabilitation project, Mercedes division, Texas | 775,000 | 775,000 | 775,000 | 775,000 | Other Department of the Interior agencies | 3,349,000 | 3,349,000 | 3,394,000 | 3,371,500 |
| Weber Basin project, Utah | 7,786,000 | 7,786,000 | 7,986,000 | 7,986,000 | Total, Missouri River Basin project | 70,477,000 | 71,152,000 | 70,832,000 | 70,809,500 |
| Chief Joseph Dam project, Okanogan-Similkameen division, Oroville, Tonasket unit, Washington | 400,000 | 400,000 | 400,000 | 400,000 | Subtotal, construction and rehabilitation | 202,899,015 | 200,008,015 | 208,564,015 | 208,491,515 |
| Columbia Basin project, Washington | 6,800,000 | 6,800,000 | 8,300,000 | 8,300,000 | Undistributed reduction based on anticipated delays | -17,575,015 | -17,575,015 | -22,875,05 | -22,875,015 |
| Spokane Valley project, Washington | 1,918,000 | 1,918,000 | 1,918,000 | 1,918,000 | Total, construction and rehabilitation | 185,324,000 | 182,433,000 | 185,689,000 | 185,616,500 |

Mr. ELLENDER. As to title III, very little change was made by the conferees. As Senators know, that title deals with the Atomic Energy Commission.

I ask unanimous consent to insert at this point in the record a table showing the details of the amount agreed to by the conferees for operating expenses of the Atomic Energy Commission.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

| Program | Budget estimate | Conference allowance |
|--|-----------------|----------------------|
| Raw materials | \$267,455,000 | \$267,455,000 |
| Special nuclear materials | 401,500,000 | 398,500,000 |
| Weapons | 771,747,000 | 765,000,000 |
| Reactor development | 497,900,000 | 494,000,000 |
| Physical research | 222,000,000 | 214,000,000 |
| Biology and medicine | 80,000,000 | 78,000,000 |
| Training, education, and information | 17,700,000 | 15,700,000 |
| Isotopes development program | 10,300,000 | 9,300,000 |
| Civilian applications of nuclear explosives | 11,000,000 | 11,000,000 |
| Community program | 9,035,000 | 9,035,000 |
| Program direction and administration | 76,780,000 | 76,000,000 |
| Security investigation program | 7,000,000 | 7,000,000 |
| Cost of work for others | 5,100,000 | 5,100,000 |
| Change in selected resources | -18,451,000 | -21,451,000 |
| Revenues and reimbursements from non-Federal sources | -56,066,000 | -47,066,000 |
| Unobligated balance brought forward | | -20,000,000 |
| Total | 2,323,000,000 | 2,261,573,000 |

Mr. ELLENDER. Title IV provides funds for the TVA, the St. Lawrence Seaway Development Corporation, the Delaware River Basin Commission, and for accelerated public works.

I have already submitted to the Senate the table indicating exactly what was done as to each agency in that title.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11579) entitled "An Act making appropriations for certain civil functions administered by the Department of Defense, the Panama Canal, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and the Delaware River Basin Commission, for the fiscal year ending June 30, 1965, and for other purposes."

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 13, 14, and 16 to aforesaid bill, and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 15, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "\$150,000".

Mr. ELLENDER. Mr. President, I move that the Senate concur in the amendment of the House of Representatives to Senate amendment No. 15.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Louisiana.

The motion was agreed to.

EXTENSION AND AMENDMENT OF LAWS RELATING TO HOUSING, URBAN RENEWAL, AND COMMUNITY FACILITIES

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3049) to

extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, which was as follows:

Strike out all after the enacting clause and insert:

"That this Act may be cited as the 'Housing Act of 1964'.

"TITLE I—AMENDMENTS TO THE NATIONAL HOUSING ACT

"Mortgage limit for homes under section 203 programs

"SEC. 101. (a) Section 203(b)(2) of the National Housing Act is amended—

"(1) by striking out '\$25,000', '\$27,500', '\$27,500', and '\$35,000' and inserting in lieu thereof '\$30,000', '\$32,500', '\$32,500', and '\$37,500', respectively; and

"(2) by striking out '90 per centum', '90 per centum', and '75 per centum' and inserting in lieu thereof '92 per centum', '92½ per centum', and '80 per centum', respectively.

"(b) Section 203(1) of such Act is amended by striking out '\$90,000' and inserting in lieu thereof '\$11,000'.

"Home improvement loans outside of urban renewal areas

"SEC. 102. Section 203(k) of the National Housing Act is amended by striking out 'economically sound' in clause (2) of the first sentence and inserting in lieu thereof 'an acceptable risk'.

"Additional relief for home mortgagors in default due to circumstances beyond their control

"SEC. 103. (a) Section 204(a) of the National Housing Act is amended by striking out the fourth proviso and inserting in lieu thereof the following: 'And provided further, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor, he may, upon such terms and conditions as he may prescribe, (1) approve the request of the mortgagee for an extension of the time for the curing of the default and of the time for

commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property to such time as the Commissioner may determine is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means the Commissioner is authorized to include in the debentures an amount equal to any unpaid mortgage interest, or (2) approve a modification of the terms of the mortgage for the purpose of changing the amortization provisions by recasting, over the remaining term of the mortgage or over such longer period as may be approved by the Commissioner, the total unpaid amount then due, as determined by the Commissioner, with the modification to become effective currently or to become effective upon the termination of an agreed-upon extension of the period for curing the default; and the principal amount of the mortgage, as modified, shall be considered to be the "original principal obligation of the mortgage" as that term is used in this Act for the purpose of computing the total face value of the debentures to be issued or the cash payment to be made by the Commissioner to a mortgagee'.

(b) "Section 230 of such Act is amended by striking out the first sentence and inserting in lieu thereof the following: 'Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner, in his discretion and for the purpose of avoiding foreclosure of the mortgage, and notwithstanding the fact that he has previously approved a request of the mortgagee for an extension of the time for curing the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, or has approved a modification of the mortgage for the purpose of changing the amortization provisions by recasting the unpaid balance, may acquire the loan and security therefor upon payment of the insurance benefits in an amount equal to the unpaid principal balance of the loan plus any unpaid mortgage interest plus reimbursement for such costs and attorney's fees as the Commissioner finds were properly incurred in connection with the defaulted mortgage and its assignment to the Commissioner, and for any proper advances theretofore made by the mortgagee under the provisions of the mortgage. After the acquisition of such mortgage by the Commissioner, the mortgagee shall have no further rights, liabilities, or obligations with respect thereto.'

"Maximum amount of section 207 rental housing mortgages"

"SEC. 104. Section 207(c) (2) of the National Housing Act is amended by striking out all that follows the first colon and precedes 'to mortgages on housing in Alaska', and inserting in lieu thereof the following: 'Provided, That this limitation shall not apply'.

"Family unit limits on FHA rental housing"

"SEC. 105. (a) Section 207(c) (3) of the National Housing Act is amended by striking out the first paragraph and inserting in lieu thereof the following:

"(3) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms or not to exceed \$1,800 per space or \$500,000 per mortgage for trailer courts or parks; except that as to

projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical areas where he finds that cost levels so require.'

"(b) Section 213(b) (2) of such Act is amended by striking out all that precedes the third proviso and inserting in lieu thereof the following:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvement as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms, and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided*, That as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further*, That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require'.

"(c) Section 220(d) (3) (B) (iii) of such Act is amended to read as follows:

"(iii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require: *Provided*, That nothing contained in this subparagraph shall preclude the insurance of mortgages covering existing multifamily dwellings to be rehabilitated or reconstructed for the purposes set forth in subsection (a) of this section; and'.

"(d) (1) Section 221(d) (3) (ii) of such Act is amended to read as follows:

"(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require; and'.

"(2) Section 221(d) (4) (ii) of such Act is amended to read as follows:

"(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 30 per centum in any geographical area where he finds that cost levels so require; and'.

"(e) Section 231(c) (2) of such Act is amended to read as follows:

"(2) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require; and'.

"(f) (1) Clause (2) in the first sentence of section 810(f) of such Act is amended by striking out '\$2,500 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per fam-

ily unit)' and inserting in lieu thereof '\$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms'.

"(2) The second sentence of section 810(f) of such Act is amended to read as follows: 'The Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum in any geographical area where he finds that cost levels so require.'

"Supplementary cooperative loans under section 213(j)

"Sec. 106. (a) Section 213(j)(1) of the National Housing Act is amended—

"(1) by striking out 'or' at the end of clause (A);

"(2) by striking out the period at the end of clause (B) and inserting in lieu thereof '; or'; and

"(3) by adding at the end thereof the following new clause:

"(C) Cooperative purchases and resales of memberships in order to provide necessary refinancing for resales of memberships which involve increases in equity; but in such resales by the cooperative the downpayments by the new members shall not be less than those made on the original sales of such memberships.'

"(b) Section 305(e) of such Act is amended by adding at the end thereof the following new sentence: 'Without regard to any of the limitations of this subsection except the total amount of authorizations available, the Association is authorized to enter into advance commitment contracts and purchase transactions on supplementary cooperative loans with respect to which the Federal Housing Commissioner shall have issued, pursuant to section 213(j), either a commitment to insure or a statement of eligibility; but such commitments and purchases shall be made solely where there is management-type cooperative involved which is certified by the Federal Housing Commissioner as a consumer cooperative.'

"Mutuality for management-type cooperatives

"Sec. 107. (a) Section 213 of the National Housing Act is amended by adding at the end thereof the following new subsections:

"(k) There is hereby created a Cooperative Management Housing Insurance Fund (hereinafter referred to as the "Management Fund"). The Management Fund shall be used by the Commissioner as a revolving fund for carrying out the provisions of this section with respect to mortgages or loans insured, on or after the date of the enactment of this subsection, under subsections (a)(1), (a)(3) (if the project is acquired by a cooperative corporation), (i), and (j). The Management Fund shall also be used as a revolving fund for mortgages, loans, and commitments transferred to it pursuant to subsection (m). The Commissioner is directed to transfer to the Management Fund from the Housing Insurance Fund established pursuant to section 207(f) such amount as the Commissioner determines to be necessary and appropriate. General expenses of operation of the Federal Housing Administration relating to mortgages or loans which are the obligation of the Management Fund may be charged to the Management Fund.

"(l) The Commissioner shall establish in the Management Fund, as of the date of the enactment of this subsection, a General Surplus Account and a Participating Reserve Account. The aggregate net income thereafter received or any net loss thereafter sustained by the Management Fund, in any semiannual period, shall be credited or charged to the General Surplus Account or the Participating Reserve Account or both

in such manner and amounts as the Commissioner may determine to be in accord with sound actuarial and accounting practice. Upon termination of the insurance obligation of the Management Fund by payment of any mortgage or loan insured under this section, and at such time or times prior to such termination as the Commissioner may determine, the Commissioner is authorized to distribute to the mortgagor or borrower a share of the Participating Reserve Account in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound actuarial and accounting practice: *Provided*, That in no event shall the amount of the distributable share exceed the aggregate scheduled annual premiums of the mortgagor or borrower to the year of payment of the share less the total amount of any share or shares previously distributed by the Commissioner to the mortgagor or borrower: *And provided further*, That in no event may a distributable share be distributed until any funds transferred to the Management Fund pursuant to section 219 have been repaid in full to the transferring fund. No mortgagor, mortgagee, borrower, or lender shall have any vested right in a credit balance in any such account or be subject to any liability arising out of the mutuality of the Management Fund. The determination of the Commissioner as to the amount to be paid by him to any mortgagor or borrower shall be final and conclusive.

"(m) The Commissioner is authorized to transfer to the Management Fund commitments for insurance issued under subsections (a)(1), and (i), and (j) prior to the date of the enactment of this subsection, and to transfer to the Management Fund the insurance of any mortgage or loan insured prior to the date of the enactment of this subsection under subsection (a)(1), (a)(3) (if the project is acquired by a cooperative corporation), (i), or (j), but only in cases where the consent of the mortgagee or lender to the transfer is obtained or a request by the mortgagee or lender for the transfer is received by the Commissioner within such period of time after the date of the enactment of this subsection as the Commissioner shall prescribe: *Provided*, That the insurance of any mortgage or loan shall not be transferred under the provisions of this subsection if on the date of the enactment of this subsection the mortgage or loan is in default and the mortgagee or lender has notified the Commissioner in writing of its intention to file an insurance claim. Any insurance or commitment not so transferred shall continue to be an obligation of the Housing Insurance Fund.

"(n) Notwithstanding the limitations contained in other provisions of this Act, premium charges for mortgages or loans insured under sections 207, 213, 231, and 232 may be payable in debentures issued in connection with mortgages or loans transferred to the Management Fund or in connection with mortgages or loans insured pursuant to commitments transferred to the Management Fund, as provided in subsection (m) of this section.

"(b) Section 213 of such Act is further amended—

"(1) by inserting before the period at the end of subsection (a) the following: '*Provided*, That as applied to mortgages the mortgage insurance for which is the obligation of the Management Fund, the reference to the Housing Fund in section 207(b)(2) shall be construed to refer to the Management Fund'; and

"(2) by inserting before the period at the end of subsection (e) the following: '*Provided*, That as applied to mortgages or loans the insurance for which is the obligation of the Management Fund (1) all references to the Housing Insurance Fund or Housing Fund shall be construed to refer to the Man-

agement Fund, and (2) all references to section 207 shall be construed to refer to subsections (a)(1), (a)(3) (if the project involved is acquired by a cooperative corporation), (i), and (j) of this section'.

"(c) Section 207(f) of such Act is amended by inserting at the end thereof the following new sentence: 'This subsection shall not be applicable to a mortgage or loan, insured under section 213, the mortgage or loan insurance for which is the obligation of the Cooperative Management Housing Insurance Fund.'

"(d) Section 219 of such Act is amended by striking out 'or the Servicemen's Mortgage Insurance Fund' and inserting in lieu thereof 'the Servicemen's Mortgage Insurance Fund, or the General Surplus Account of the Cooperative Management Housing Insurance Fund'.

"Mortgage limits under section 220 sales housing mortgage insurance program

"Sec. 108. Section 220(d)(3)(A)(i) of the National Housing Act is amended—

"(1) by striking out '\$25,000', '\$27,500', '\$30,000', '\$35,000', and '\$35,000' and inserting in lieu thereof '\$30,000', '\$32,500', '\$32,500', '\$37,500', and '\$37,500', respectively; and

"(2) by striking out '90 per centum', '90 per centum', and '75 per centum' and inserting in lieu thereof '92 per centum', '92½ per centum', and '80 per centum', respectively.

"Mortgage limits under section 220 multifamily housing mortgage insurance program

"Sec. 109. Section 220(d)(3)(B)(i) of the National Housing Act is amended by striking out '\$20,000,000' and inserting in lieu thereof '\$30,000,000'.

"Loans to cover the cost of public improvements

"Sec. 110. (a) The second sentence of section 220(h)(1) of the National Housing Act is amended to read as follows: 'As used in this subsection—

"(A) the term "home improvement loan" means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made—

"(1) for the purpose of financing the improvement of an existing structure (or in connection with an existing structure) which was constructed not less than ten years prior to the making of such loan, advance of credit, or purchase, and which is used or will be used primarily for residential purposes: *Provided*, That a home improvement loan shall include a loan, advance, or purchase with respect to the improvement of a structure which was constructed less than ten years prior to the making of such loan, advance, or purchase if the proceeds are or will be used primarily for major structural improvements, or to correct defects which were not known at the time of the completion of the structure or which were caused by fire, flood, windstorm, or other casualty; or

"(ii) for the purpose of enabling the borrower to pay that part of the cost of the construction or installation of sidewalks, curbs, gutters, street paving, street lights, sewers, or other public improvements, adjacent to or in the vicinity of property owned by him and used primarily for residential purposes, which is assessed against him or for which he is otherwise legally liable as the owner of such property;

"(B) the term "improvement" means conservation, repair, restoration, rehabilitation, conversion, alteration, enlargement, or remodeling; and

"(C) the term "financial institution" means a lender approved by the Commissioner as eligible for insurance under section 2 or a mortgagee approved under section 203(b)(1).'

"(b) Section 220(h)(2)(i) of such Act is amended by inserting before the semicolon at the end thereof the following: ', and be limited as required by paragraph (11)'

"(c) Section 220(h) of such Act is further amended by adding at the end thereof the following new paragraph:

"(11) Notwithstanding any other provision of this Act, no home improvement loan made in whole or in part for the purpose specified in clause (A)(ii) of the second sentence of paragraph (1) shall be insured under this subsection if such loan (or the portion thereof which is attributable to such purpose), when added to the aggregate principal balance of any outstanding loans insured under this subsection or section 203(k) which were made to the same borrower for the purpose so specified (or the portion of such aggregate balance which is attributable to such purpose), would exceed \$10,000."

"Home improvement loans on property held under lease

"SEC. 111. Section 220(h)(2)(vi) of the National Housing Act is amended by striking out 'a period of not less than fifty years to run from the date of the loan' and inserting in lieu thereof 'an expiration date in excess of five years later than the maturity date of the loan.'

"Private mortgagors under section 221(d)(3)

"SEC. 112. Section 221(d)(3) of the National Housing Act is further amended by inserting after 'section' in the matter preceding clause (i) the following: ', or a mortgagor approved by the Commissioner which (A) as a condition of obtaining the insurance of a mortgage under this section, and prior to the submission of its application for such insurance, has entered into an agreement, in form and substance satisfactory to the Commissioner, to sell the property or project covered by such mortgage (upon its completion) to a private nonprofit corporation, association, or other mortgagor approved by the Commissioner at the actual cost of the property or project as certified pursuant to section 227, and (B) is regulated or supervised by the Commissioner, under a regulatory agreement or otherwise, as to rents, charges, and methods of operation in such form and in such manner as in the opinion of the Commissioner will effectuate the purposes of this section'."

"Mortgage insurance for servicemen

"SEC. 113. Section 222(b) of the National Housing Act is amended—

"(1) by striking out '203(b) or 203(i)' in paragraph (1) and inserting in lieu thereof '203(b), 203(i), or 221(d)(2)'; and

"(2) by striking out 'such principal obligation shall not exceed \$9,000' in paragraph (2) and inserting in lieu thereof 'or section 221(d)(2) such principal obligation shall not exceed the maximum limits prescribed for such section'."

"Private financing of sale of FHA-acquired properties

"SEC. 114. Section 223(c) of the National Housing Act is amended by striking out 'limitation upon eligibility contained in this title II' and inserting in lieu thereof the following: 'limitations or requirements contained in this title upon the eligibility of the mortgage, upon the payment of insurance premiums, or upon the terms and conditions of insurance settlement and the benefits of the insurance to be included in such settlement (except that in any case the payment of insurance shall be in debentures)'."

"Mortgage insurance for nonprofit nursing homes

"SEC. 115. Section 232(b)(1) of the National Housing Act is amended by inserting after 'proprietary facility' the following: 'or facility of a private nonprofit corporation or association'."

"Experimental housing

"SEC. 116. (a) Section 233(a) of the National Housing Act is amended by striking

out ', in the case of mortgages insured under subsection (b)(2) of this section,'."

"(b) Section 233(b) of such Act is amended to read as follows:

"(b) To be eligible for insurance under this section, a mortgage shall meet the requirements of one of the other sections of this title; except that, in determining the appraised value or the replacement cost of the property in cases involving new construction or the estimated cost of repair and rehabilitation or improvement in cases involving existing properties, the Commissioner's estimate may be based upon an estimate of the cost of replacing the property using comparable conventional design, materials, and construction, and any limitation upon the maximum mortgage amount available to a non-occupant owner shall not, in the discretion of the Commissioner, be applicable to mortgages insured under this section."

"(c) Section 233 of such Act is further amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

"(e) Any mortgagee under a mortgage insured under subsection (b) shall be entitled to insurance benefits determined in the same manner as such benefits would be determined if such mortgage or loan were insured under the section of this title for which it otherwise would have been eligible except for the experimental feature of the property involved."

"(d) Section 233 of such Act is further amended by redesignating subsections (g) and (h) as subsections (f) and (g), respectively, and by striking out 'subsections (e) and (f)' in the first sentence of the subsection so redesignated as subsection (f) and inserting in lieu thereof 'subsection (e)'."

"Mortgage insurance for condominiums

"SEC. 117. (a) Section 234 of the National Housing Act is amended—

"(1) by striking out the heading and inserting in lieu thereof 'MORTGAGE INSURANCE FOR CONDOMINIUMS';

"(2) by striking out 'structure' each place it appears and inserting in lieu thereof 'project' (and by striking out 'structures' in the last sentence of subsection (c) and inserting in lieu thereof 'projects');

"(3) by striking out 'the term "mortgage" for the purposes of this section' in subsection (b) and inserting in lieu thereof 'the term "mortgage" for the purposes of subsection (c)';

"(4)(A) by striking out 'this section' each time it appears in subsection (c) and inserting in lieu thereof 'this subsection';

"(B) by striking out 'under another section' in the first sentence of subsection (c) and inserting in lieu thereof 'under any section';

"(5) by striking out 'section 213' each time it appears in subsection (c) and inserting in lieu thereof 'section 213(a)(1) and (2)';

"(6) by striking out the third sentence of subsection (c) and inserting in lieu thereof the following: 'To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed \$30,000, and not to exceed the sum of (i) 97 per centum of \$15,000 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of \$15,000 but not in excess of \$20,000, and (iii) 80 per centum of such value in excess of \$20,000, and (B) have a maturity satisfactory to the Commissioner, but not to exceed, in any event, thirty-five years from the date of the beginning of amortization of the mortgage or three-fourths of the Commissioner's estimate of the remaining economic life of the project, whichever is the lesser.'"

"(7) by redesignating subsection (d) as

subsection (g), by redesignating subsections (e) and (f) as subsections (i) and (j), respectively, and by inserting after subsection (c) the following new subsections:

"(d) In addition to individual mortgages insured under subsection (c), the Commissioner is authorized, in his discretion and under such terms and conditions as he may prescribe, to insure blanket mortgages (including advances on such mortgages during construction) which cover multifamily projects to be constructed or rehabilitated in cases where the mortgage is held by a mortgagor, approved by the Commissioner, which—

"(1) has certificated to the Commissioner, as a condition of obtaining the insurance of a blanket mortgage under this subsection, that upon completion of the multifamily project covered by such mortgage it intends to commit the ownership of the multifamily project to a plan of family unit ownership under which each family unit would be eligible for individual mortgage insurance under subsection (c) and will faithfully and diligently make and carry out all reasonable efforts to establish such plan of family unit ownership and to sell such family units to purchasers approved by the Commissioner; and

"(2) shall be regulated or restricted by the Commissioner as to rents, charges, capital structure, rate of return, and methods of operation until the termination of all obligations of the Commissioner under the insurance and during such further period of time as the Commissioner shall be the owner, holder, or reinsurer of the mortgage. The Commissioner may make such contracts with and acquire for not to exceed \$100 such stock or interest in such mortgagor as he may deem necessary to render effective the regulation and restriction of such mortgagor. The stock or interest acquired by the Commissioner shall be paid for out of the Apartment Unit Insurance Fund, and shall be redeemed by the mortgagor at par at any time upon the request of the Commissioner after the termination of all obligations of the Commissioner under the insurance."

"(e) To be eligible for insurance, a blanket mortgage on any multifamily project of a mortgagor of the character described in subsection (d) shall involve a principal obligation in an amount—

"(1) not to exceed \$20,000,000, or not to exceed \$25,000,000 if the mortgage is executed by a mortgagor regulated or supervised, under Federal or State law or by a political subdivision of a State or an agency thereof, as to rents, charges, and methods of operation;

"(2) not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the projects when the proposed physical improvements are completed;

"(3) not to exceed, for such part of the project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 30 per centum

in any geographical area where he finds that cost levels so require; and

"(4) not to exceed an amount equal to the sum of the unit mortgage amounts determined under the provisions of subsection (c) assuming the mortgagor to be the owner and occupant of each family unit.

"(f) Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such term as the Commissioner may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 5¼ per centum per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the blanket mortgage upon such terms and conditions as he may prescribe and the blanket mortgage may provide for such release. The project covered by the blanket mortgage may include five or more family units and such commercial and community facilities as the Commissioner deems adequate to serve the occupants."

"(8) by striking out 'this section' each time it appears in the subsection redesignated as subsection (g) by paragraph (7) of this subsection and inserting in lieu thereof 'subsection (c) of this section';

"(9) by inserting after the subsection redesignated as subsection (g) by paragraph (7) of this subsection the following new subsection:

"(h) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall be applicable to mortgages insured under subsection (d) of this section, except that all references to the Housing Insurance Fund, or Housing Fund, shall be construed to refer to the Apartment Unit Insurance Fund; and

"(10) by amending the subsection redesignated as subsection (j) by paragraph (7) of this subsection to read as follows:

"(j) The provisions of sections 225 and 230 shall be applicable to the mortgages insured under subsection (c) of this section."

"(b) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: 'The provisions of this section shall also apply to the insurance of any mortgage under section 234(d).'

"(c) Section 227(a) of such Act is amended by striking out 'or (vii)' and inserting in lieu thereof '(vii)', and by inserting before the semicolon at the end thereof ', or (viii) under section 234(d)'.

"Prepayment of mortgages by nonprofit educational institutions"

"SEC. 118. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"Prepayment of mortgages by nonprofit educational institutions"

"SEC. 517. (a) Notwithstanding any other provision of this Act, no adjusted premium charge shall be collected in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor certifies to the Commissioner that the loan was paid in full by or on behalf of a nonprofit educational institution which intends to use the property for educational purposes.

"(b) The Commissioner shall refund any adjusted premium charge collected subsequent to July 1, 1962, and prior to the date of the enactment of the Housing Act of 1964, in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor under such mortgage makes the certification prescribed by subsection (a)."

"Increase in number of units insurable under section 810 program"

"SEC. 119. Section 810(i) of the National Housing Act is amended by striking out

'five thousand dwelling units' and inserting in lieu thereof 'ten thousand dwelling units'.

"TITLE II—HOUSING FOR THE ELDERLY AND HANDICAPPED"

"Housing for the elderly—Loan program"

"SEC. 201. Section 202(a) (4) of the Housing Act of 1959 is amended by striking out '\$275,000,000' and inserting in lieu thereof '\$350,000,000'.

"FHA section 221 housing for low- or moderate-income elderly persons"

"SEC. 202. Section 221(f) of the National Housing Act is amended by adding at the end thereof the following new sentence: 'Any person sixty-two years of age or over shall be deemed to be a family within the meaning of the terms "family" and "families" as those terms are used in this section.'

"Housing for the handicapped"

"SEC. 203. (a) (1) The heading of title II of the Housing Act of 1959 is amended by striking out 'HOUSING FOR THE ELDERLY' and inserting in lieu thereof 'HOUSING FOR THE ELDERLY OR HANDICAPPED'.

"(2) Section 202 of such Act is amended—

"(A) by striking out 'elderly families and elderly persons' wherever it appears in subsections (a) (1), (a) (2), and (e) and inserting in lieu thereof in each instance 'elderly or handicapped families';

"(B) by amending subsection (d) (1) to read as follows:

"(1) The term "housing" means structures suitable for dwelling use by elderly or handicapped families which are (A) new structures, or (B) provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families;";

"(C) by striking out the first sentence of subsection (d) (4) and inserting in lieu thereof the following: 'The term "elderly or handicapped families" means families which consist of two or more persons and the head of which (or his spouse) is sixty-two years of age or over or is handicapped, and such term also means a single person who is sixty-two years of age or over or is handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Administrator, to have a physical impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions;";

"(D) by inserting before the period at the end of subsection (d) (7) the following: 'or rehabilitation, alteration, conversion, or improvement of existing structures'; and

"(E) by amending subsection (d) (8) to read as follows:

"(8) The term "related facilities" means (A) new structures suitable for use by elderly or handicapped families as cafeterias or dining halls, community rooms or buildings, workshops, or infirmaries or other inpatient or outpatient health facilities, or other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses."

"(b) The last sentence of section 221(f) of the National Housing Act (as added by section 202 of this Act) is amended by striking out 'person sixty-two years of age or over' and inserting in lieu thereof 'person who is sixty-two years of age or over, or who is a handicapped person within the meaning of section 202 of the Housing Act of 1959'.

"(c) Section 231 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any of the provisions of this section, the housing provided under this section may include family units

which are specially designed for the use and occupancy of any person or family qualifying as a handicapped family as defined in section 202 of the Housing Act of 1959, and such special facilities as the Commissioner deems adequate to serve handicapped families (as so defined). The Commissioner may also prescribe procedures to secure to such families preference or priority of opportunity to rent the living units specially designed for their use and occupancy."

"(d) The second sentence of section 2(2) of the United States Housing Act of 1937 (as amended by section 401(a) of this Act) is amended by inserting after 'and includes' the following: 'a single person who is handicapped within the meaning of section 202 of the Housing Act of 1959 or who is'.

"(e) Section 207 of the Housing Act of 1961 (as amended by section 407 of this Act) is further amended by inserting before the period at the end of the first sentence the following: 'and of demonstrating the types of housing and the means of providing housing that will assist low income persons or families who qualify as handicapped families as defined in section 202 of the Housing Act of 1959'.

"TITLE III—URBAN RENEWAL"

"Capital grant authorization"

"SEC. 301. Section 103(b) of the Housing Act of 1949 is amended by striking out 'not to exceed \$4,000,000,000' and inserting in lieu thereof 'not to exceed \$4,600,000,000'.

"Code enforcement"

"SEC. 302. (a) The first sentence of section 110(c) of the Housing Act of 1949 is amended by inserting after 'or rehabilitation or conservation in an urban renewal area,' the following: 'or a program of code enforcement in an urban renewal area'.

"(b) (1) Paragraph (5) of the second sentence of section 110(c) of such Act is amended (1) by striking out 'a program of' and inserting in lieu thereof 'programs of code enforcement or', and (2) by adding before the semicolon at the end of such paragraph the following: ': Provided, That no program of code enforcement shall be included as part of an urban renewal project unless the locality shall agree to increase its total expenditures with respect to code enforcement, during the period such project is under contract for a loan or capital grant, by an amount equal to the required local grants-in-aid with respect to the code enforcement included as part of such project'.

"(2) Any contract for a capital grant under title I of the Housing Act of 1949 executed prior to the date of the enactment of this Act may be amended to incorporate the provisions of paragraph (1) for costs incurred on or after such date.

"(c) Section 101(c) of such Act is amended by adding at the end thereof the following new sentence: 'Commencing three years from the date of the enactment of the Housing Act of 1964, no workable program will be certified or recertified unless the locality has had in effect for at least six months prior to such certification or recertification a minimum standards housing code, related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate by the Administrator; and unless the Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with such housing code.'

"Relocation of displacees from urban renewal areas"

"SEC. 303. (a) (1) Section 105(c) of the Housing Act of 1949 is amended by striking out 'families' wherever it appears and inserting in lieu thereof 'individuals and families'.

"(2) The requirement imposed by the amendments made by paragraph (1) shall not be applicable to any project receiving

Federal recognition prior to the date of the enactment of this Act.

"(b) Section 105(c) of such Act is further amended by inserting before the period at the end thereof the following: 'Provided, That the Administrator shall issue rules and regulations to aid in implementing the requirements of this subsection and in otherwise achieving the objectives of this title which shall require that there be established, at the earliest practicable time, for each urban renewal project involving the displacement of families, individuals, or business concerns occupying property in an urban renewal area, a relocation assistance program which shall include such measures, facilities, and services as may be necessary or appropriate in order (1) to determine the needs of such families, individuals, and business concerns for relocation assistance, (2) to provide information and assistance to aid in relocation and otherwise minimize the hardships of displacement, and (3) to assure the necessary coordination of relocation activities with other project activities and other planned or proposed governmental actions in the community which may affect the carrying out of the relocation program'.

"(c) Section 114(e) of such Act (as added by section 306 of this Act and redesignated by section 317 of this Act) is amended by adding at the end thereof the following new sentence: 'Such regulations shall include provisions to assure that relocation payments, as authorized by this section, shall be made as promptly as possible to all families, individuals, business concerns, and non-profit organizations found to be eligible for such payments by reason of their having been displaced from property in the urban renewal area, without regard to any subsequent proceedings, determinations, or events relating to such property which do not bear upon whether such displacement in fact occurred.'

"(d) Section 8(b) of the Small Business Act is amended—

"(1) by striking out 'and' at the end of paragraph (12);

"(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof: 'and'; and

"(3) by adding after paragraph (13) the following new paragraph:

"(14) to provide at the earliest practicable time such information and assistance as may be appropriate, including information concerning eligibility for loans under section 7(b)(3), to local public agencies (as defined in section 110(h) of the Housing Act of 1949) and to small-business concerns to be displaced by federally aided urban renewal projects in order to assist such small-business concerns in reestablishing their operations.'

"Disposal of land for low- and moderate-income housing

"Sec. 304. Subsections (a) and (b) of section 107 of the Housing Act of 1949 are amended to read as follows:

"(a) Upon approval of the Administrator and subject to such conditions as he may determine to be in the public interest, any real property held as part of an urban renewal project may be made available to (1) a limited dividend corporation, nonprofit corporation or association, cooperative, or public body or agency, or (2) a purchaser who would be eligible for a mortgage insured under section 221(d)(4) of the National Housing Act, for purchase at fair value for use by such purchaser in the provision of new or rehabilitated rental or cooperative housing for occupancy by families or individuals of moderate income.

"(b) When it appears in the public interest that real property acquired as part of an urban renewal project should be used in whole or in part for a low-rent housing project assisted under the United States

Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act, the property shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to its fair value, as determined in accordance with subsection (a), and such amount shall be included as part of the development cost of such low-rent housing project: *Provided*, That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act, or by analogous provisions in legislation authorizing such State or local program, with respect to the low-rent housing project into which such property was incorporated on or after September 23, 1959, shall (if covered by a contract which, in the determination of the Public Housing Commissioner, will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act, or by provisions found by the Administrator to give equivalent assurance in the case of State or local programs) be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such property (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales prices, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act.'

"*Rehabilitation of property in urban renewal areas*

"Sec. 305. Section 110(c) of the Housing Act of 1949 is amended by adding immediately after and below paragraph (7) the following new paragraph:

"Notwithstanding any other provision of this title, no contract shall be entered into for any loan or capital grant under this title for any project which provides for demolition and removal of buildings and improvements unless the Administrator determines that the objectives of the urban renewal plan could not be achieved through rehabilitation of the project area.'

"*Relocation payments to displaced persons and businesses*

"Sec. 306. (a) Title I of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"*Relocation*

"Sec. 114. (a) Notwithstanding any other provision of this title, an urban renewal project may include the making of payments as prescribed in this section to displaced individuals, families, business concerns, and non-profit organizations; and any contract for financial assistance under this title shall provide that the capital grant otherwise payable for the project shall be increased by an amount equal to such payments and that no part of the amount of such payments shall be required to be contributed as part of the local grant-in-aid. As used in this section, "displaced" refers to displacement from an urban renewal area made necessary by (1) the acquisition of real property by a local public agency or by any other public body, (2) code enforcement activities undertaken in connection with an urban renewal project, or (3) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan.

"(b) A local public agency may pay to any displaced business concern or nonprofit organization—

"(1) its reasonable and necessary moving expenses and any actual direct losses of

property except goodwill or profit (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): *Provided*, That such payment shall not exceed \$3,000 (or, if greater, the total certified actual moving expenses); and

"(2) an additional \$1,000 in the case of a private business concern with average annual net earnings of less than \$10,000 per year which (A) was doing business in a location in the urban renewal area on the date of local approval of the urban renewal plan (or of acquisition of the real property under the third sentence of section 102(a)), (B) is displaced on or after January 27, 1964, and (C) is not part of an enterprise having establishments outside the urban renewal area.

"(c) (1) A local public agency may pay to any displaced individual or family his or its reasonable and necessary moving expenses and any actual direct losses of property (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): *Provided*, That such payment shall not exceed \$200: *And provided further*, That the Administrator may authorize payment to individuals and families of fixed amounts (not to exceed \$200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

"(2) A local public agency may pay (in addition to any amount under paragraph (1)), to or on behalf of any displaced individual or family, the monthly rental (or mortgage payment) required for the dwelling accommodations in which such individual or family is relocated during the first three months (after displacement) for which such rental (or payment) is due; except that no amount in excess of \$200 shall be paid under this paragraph to or on behalf of any displaced individual or family, and payments under this paragraph shall be available only in the case of individuals and families displaced on or after January 27, 1964.

"(d) The Administrator is authorized to establish such rules and regulations as he may deem appropriate in carrying out the provisions of this section.'

"(b) Any contract with a local public agency which was executed under title I of the Housing Act of 1949 before the date of the enactment of this Act may be amended to provide for payments authorized by section 114 of the Housing Act of 1949.

"(c) Section 106 of the Housing Act of 1949 is amended by striking out subsection (f).

"*Incentives for local realty tax abatement for section 221(d)(3) projects*

"Sec. 307. Section 110(d) of the Housing Act of 1949 is amended by striking out 'and (3)' and inserting in lieu thereof the following: '(3) the amount of any abatement of realty taxes granted by appropriate authority in reduction of realty taxes, which would, except for such abatement, be payable by a project the mortgage on which is insured under section 221 of the National Housing Act and bears an interest rate fixed pursuant to the proviso in section 221(d)(5) of such Act; and (4)'.
 "Rehabilitation loans

"Sec. 308. (a) To assist rehabilitation in an urban renewal area and thereby reduce the need for demolition and removal of structures, the Housing and Home Finance Administrator is hereby authorized, through the utilization of local public and private agencies where feasible, to make loans as herein provided to the owners or tenants of property in such area to finance rehabilitation required to make the property conform to applicable code requirements or to carry out the objectives of the urban renewal plan for the area. No loan shall be made under

this section unless the Administrator finds (1) that the applicant is unable to secure the necessary funds from other sources upon reasonable terms and conditions, and (2) the loan is an acceptable risk taking into consideration the need for the rehabilitation, the security available for the loan, and the ability of the applicant to repay the loan.

"(b) For the purposes of this section—

"(1) the term 'rehabilitation' means the improvement or repair of a structure or facilities in connection with a structure, and may include the provision of such sanitary or other facilities as are required by applicable codes or the urban renewal plan to be provided by the owner or tenant of the property;

"(2) the term 'urban renewal area' means a slum area or a blighted, deteriorated, or deteriorating area as defined in section 110 (a) of the Housing Act of 1949;

"(3) the term 'tenant' means a person or organization who is occupying a structure under a lease having a period to run at the time a rehabilitation loan is made under this section of not less than the term of the loan; and

"(4) the term 'Administrator' means the Housing and Home Finance Administrator.

"(c) A rehabilitation loan made under this section shall be subject to the following limitations:

"(1) The loan shall be subject to such terms and conditions as may be prescribed by the Administrator.

"(2) The term of the loan may not exceed fifteen years or three-fourths of the remaining economic life of the structure after rehabilitation, whichever is less.

"(3) The loan shall bear interest at such rate as the Administrator determines to be appropriate but not to exceed 3 per centum per annum of the amount of the principal outstanding at any time, and the Administrator may prescribe such other charges as he finds necessary, including service charges and appraisal, inspection, and other fees.

"(4) The amount of the loan may not exceed—

"(A) in the case of residential property, the amount of a loan which could be insured by the Federal Housing Commissioner under section 220(h) of the National Housing Act; and

"(B) in the case of nonresidential property, \$50,000, or the cost of rehabilitation, or an amount which when added to any outstanding indebtedness related to the property securing the loan creates a total outstanding indebtedness that exceeds the amount of a loan which the Administrator determines could be reasonably secured by a first mortgage on the property.

"(5) A loan shall be secured as determined by the Administrator.

"(d) There is authorized to be appropriated not to exceed \$50,000,000 which shall constitute a revolving fund to be used by the Administrator in carrying out this section.

"(e) In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Administrator shall have (in addition to any authority otherwise vested in him) the functions, powers, and duties set forth in section 402 of the Housing Act of 1950 (except subsection (c) (2)).

"(f) The Administrator is authorized to delegate to or use as his agent any local public or private agency or organization to the extent he determines appropriate and desirable to carry out the objectives of this section in the area involved.

"(g) The Administrator is authorized to issue such rules and regulations and impose such requirements and conditions (in addition to those specified in this section) as he determines to be desirable to carry out the objectives of this section, including limitations on the amount of a loan and restrictions on the use of the property involved.

"Self-help programs for community improvement"

"SEC. 309. Section 101(d) of the Housing Act of 1949 is amended by inserting immediately after "local urban renewal programs" the following: "(including rehabilitation projects requiring no additional assistance under this title or self-liquidating redevelopment projects)".

"Urban renewal demonstration program"

"SEC. 310. Section 314 of the Housing Act of 1954 is amended—

"(1) by inserting '(a)' after '314.' at the beginning of the section;

"(2) by inserting before the period at the end of the second sentence the following: ', but such a grant may in addition cover the full cost of writing and publishing the reports on such activities and undertakings';

"(3) by inserting 'activities and' before 'undertakings' in the third sentence;

"(4) by striking out the fourth and fifth sentences; and

"(5) by adding at the end thereof the following new subsections:

"(b) The Administrator is further authorized to pay for the cost of (1) writing and publishing reports on activities and undertakings financed by grants made under this section, as well as reports on similar activities and undertakings, not so financed, which are of significant value in furthering the purposes of this section, and (2) writing and publishing summaries and other informational material on such reports.

"(c) The aggregate amount of grants made under subsection (a), and other costs incurred pursuant to subsection (b), shall not exceed \$10,000,000 and shall be payable from the grant funds provided under and authorized by section 103(b) of the Housing Act of 1949. The Administrator may make advance or progress payments on account of any contract entered into pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended."

"Urban and regional planning grants"

"SEC. 311. (a) Section 701(a) of the Housing Act of 1954 is amended by striking out 'resulting from rapid urbanization' in clause (B) of paragraph (1).

"(b) Section 701(a) of such Act is amended—

"(1) by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and

"(2) by adding after paragraph (5) the following new paragraph:

"(6) metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1); and."

"Planning grant authorization"

"SEC. 312. Section 701(b) of the Housing Act of 1954 is amended by striking out '\$75,000,000' in the last sentence and inserting in lieu thereof '\$105,000,000.'

"Planning grants for Indian reservations"

"SEC. 313. (a) Section 701(a) of the Housing Act of 1954 is amended—

"(1) by striking out 'and' at the end of clause (B) of paragraph (1);

"(2) by inserting ', and (D) Indian reservations' before the semicolon at the end of paragraph (1); and

"(3) by adding after paragraph (6) (as added by section 311(b) of this Act) the following new paragraph:

"(7) tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning for an Indian reservation to which no State planning agency

or other agency or instrumentality is empowered to provide planning assistance under clause (D) of paragraph (1)."

"(b) Section 701(d) of such Act is amended—

"(1) by striking out 'and urban regions' in the first sentence and inserting in lieu thereof 'urban regions, and Indian reservations'; and

"(2) by inserting the following after 'Instrumentalities' in the second sentence: ', and Indian tribal bodies.'

"Eligibility of counties for planning assistance"

"SEC. 314. Section 701(a) of the Housing Act of 1954 is amended by striking out clause (A) of paragraph (1) and inserting in lieu thereof the following: '(A) cities and other municipalities having a population of less than 50,000 according to the latest decennial census, and counties without regard to population: *Provided*, That grants shall be made under this paragraph for planning assistance to counties having a population of 50,000 or more, according to the latest decennial census, which are within metropolitan areas, only if (i) the Administrator finds that planning and plans for such county will be coordinated with the program of comprehensive planning, if any, which is being carried out for the metropolitan area of which the county is a part, and (ii) the aggregate amount of the grants made subject to this proviso does not exceed 15 per centum of the aggregate amount appropriated, after the date of enactment of the Housing Act of 1964, for the purposes of this section.'

"Planning problems resulting from treaties or other international agreements"

"SEC. 315. Section 701(a) (4) of the Housing Act of 1954 is amended to read as follows:

"(4) official governmental planning agencies for areas where (A) urban planning problems have resulted or are expected to result from the implementation of a Federal treaty or other international agreement or understanding, or (B) rapid urbanization has resulted or is expected to result from the establishment or rapid and substantial expansion of a Federal installation;."

"Small Business Administration loans"

"SEC. 316. Section 7(b) (3) of the Small Business Act is amended by inserting before the period at the end thereof the following: ', and the purposes of a loan made pursuant to this paragraph may, in the discretion of the Administration, include the purchase or construction of other premises whether or not the borrower owned the premises from which it was displaced.'

"Relocation payments in cases of property affected by coal mine subsidence or underground mine fires"

"SEC. 317. (a) Section 114 of the Housing Act of 1949 (as added by section 306 of this Act) is amended by redesignating subsection (d) as subsection (e), and by inserting after subsection (c) the following new subsection:

"(d) In any case in which property owned by an individual, family, business concern, or nonprofit organization has been rendered partially or wholly unusable on account of the subsidence or collapse of underlying coal mines, or because of an underground mine fire or fires, relocation payments under this section may include (in addition to any amounts payable under subsection (b) or (c)) an amount equal to the difference between (1) the actual market value which such property would have if the diminution in its value occasioned by such subsidence or collapse or fire were ignored, and (2) the price paid for the acquisition of such property by the local public agency."

"(b) The first sentence of section 114(a) of such Act (as so added) is amended by striking out 'organizations' and all that follows and inserting in lieu thereof the following: 'organizations. Any contract for financial

assistance under this title shall provide that no part of the amount of such payments (except such payments made pursuant to subsection (d)) shall be required to be contributed as a local grant-in-aid, and that the capital grant otherwise payable for the project shall be increased by an amount equal to (1) any of such payments made pursuant to subsection (b) or (c), plus (2) any of such payments made pursuant to subsection (d), reduced by the amount of the local grants-in-aid applicable to such payments.

"(c) Any contract with a local public agency which was executed under title I of the Housing Act of 1949 before the date of the enactment of this Act may be amended to provide for payments authorized by the amendments made by this section so long as the project involved has not yet been completed on such date.

"(d) Section 15(8) of the United States Housing Act of 1937 (as added by section 406 of this Act) is amended by striking out 'section 114 (b) or (c)' and inserting in lieu thereof 'section 114 (b), (c), or (d)'.

"TITLE IV—HOUSING FOR LOW-INCOME FAMILIES

"Eligibility of displaced individuals for low-rent public housing

"SEC. 401. (a) Section 2(2) of the United States Housing Act of 1937 is amended to read as follows:

"(2) The term 'families of low income' means families (including elderly and displaced families) who are in the lowest income group and who cannot afford to pay enough to cause private enterprises in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term 'families' includes families consisting of a single person in the case of elderly families and displaced families, and includes the remaining member of a tenant family. The term 'elderly families' means families whose heads (or their spouses), or whose sole members, have attained the age at which an individual may elect to receive an old-age insurance benefit under title II of the Social Security Act or are under a disability as defined in section 223 of that Act. The term 'displaced families' means families displaced by urban renewal or other governmental action."

"(b) Section 10(g)(2) of such Act is amended by striking out 'those displaced by urban renewal or other governmental action' and inserting in lieu thereof 'displaced families'.

"(c) Section 15(7)(b) of such Act is amended by striking out 'family displaced by urban renewal or other governmental action' in clause (ii) and inserting in lieu thereof 'displaced family'.

"Additional subsidy for urban renewal and low-rent housing displacees

"SEC. 402. Section 10(a) of the United States Housing Act of 1937 is amended by inserting before the period at the end of the third sentence the following: ': Provided further, That such an additional payment may also be made, on the same terms and conditions and subject to the same limitations, with respect to a unit occupied on the last day of the project fiscal year by a displaced family if such family was displaced by an urban renewal or low-rent housing project on or after January 27, 1964, and if and to the extent that the rental of such unit was less than the rental which, in the determination of the Authority based on average or estimated project rentals, would have been established in leasing the unit to another family which was neither an elderly family nor similarly displaced'.

"Increase in authorization for annual contributions

"SEC. 403. Section 10(e) of the United States Housing Act of 1937 is amended by inserting immediately after 'per annum,' the following: 'which limit shall be increased by

\$27,000,000 on the date of the enactment of the Housing Act of 1964.'

"Payments in lieu of taxes by local housing authorities; local contributions

"SEC. 404. Section 10(h) of the United States Housing Act of 1937 is amended by striking out all that follows the first colon and inserting in lieu thereof the following: 'Provided, That, with respect to any such project which is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, such contract shall provide, in lieu of the requirement for tax exemption and payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivisions in which such project is situated shall contribute, in the form of cash or tax remission, the amount by which the taxes paid with respect to the project exceed 10 per centum of the annual shelter rents charged in such project: Provided further, That, prior to execution of the contract for annual contributions the public housing agency shall, in the case of a tax-exempt project, notify the governing body of the locality of its estimate of the annual amount of such payments in lieu of taxes and of the amount of taxes which would be levied if the property were privately owned, or, in the case where the project is taxed, its estimate of the annual amount of the local cash contribution, and shall thereafter include the actual amounts of such payments or contributions in its annual report. Contracts for annual contributions entered into prior to the effective date of the Housing Act of 1964 may be amended in accordance with the first sentence of this subsection.'

"Relocation of families and individuals displaced from project sites

"SEC. 405. (a) Section 15(7)(b) of the United States Housing Act of 1937 is amended by striking out 'and' before '(ii)', and by inserting before the period at the end thereof the following: '; and (iii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a feasible method for the temporary relocation of the displaced families from the project site, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of such displaced families, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment'.

"(b) The amendments made by subsection (a) shall not be applicable to any project for which an application for preliminary loan has been approved by the local governing body prior to the date of the enactment of this Act.

"Relocation payments

"SEC. 406. Section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(8) The Authority may authorize the cost of relocation payments made by public housing agencies to be included with the development or acquisition cost of any project for purposes of determining the amount of loans and annual contributions authorized to be made with respect to such project under sections 9 and 10, but such costs shall be separately stated as relocation costs and shall be excluded from any amounts on which the computation of annual contributions is based for purposes of determining the amount of local contributions required with respect to such project under section 10 (h). For purposes of this paragraph, a 'relocation payment' is a payment (i) which is made to an individual, family, business concern, or nonprofit organization displaced on

or after January 27, 1964, from a low-rent housing project site as a result of the acquisition of real property by a public housing agency, (ii) which is not otherwise authorized under any Federal law, and (iii) which is made only on such terms and conditions, and subject to such limitations, as are authorized (as of the time such payment is approved) under section 114 (b) or (c) of the Housing Act of 1949 for relocation payments made to individuals, families, business concerns, or nonprofit organizations, as the case may be.'

"Low-income housing demonstration program authorization

"SEC. 407. Section 207 of the Housing Act of 1961 is amended by striking out '\$5,000,000' and inserting in lieu thereof '\$10,000,000'.

"TITLE V—RURAL HOUSING

"Extension of senior citizens rental housing insurance program

"SEC. 501. Section 515(b)(5) of the Housing Act of 1949 is amended by striking out 'September 30, 1964' and inserting in lieu thereof 'September 30, 1965'.

"Rural housing direct loan program

"SEC. 502. (a) Section 511 of the Housing Act of 1949 is amended by striking out '\$700,000,000' and inserting in lieu thereof '\$850,000,000'.

"(b) Section 502(a) of such Act is amended by inserting after 'a loan may be made by the Secretary to said applicant' the following: ', in a principal amount not exceeding \$15,000'.

"Definition of domestic farm labor

"SEC. 503. Section 514(f)(3) of the Housing Act of 1949 is amended to read as follows:

"(3) The term 'domestic farm labor' means persons who receive a substantial portion (as determined by the Secretary) of their incomes as laborers on farms situated in the United States and either (A) are citizens of the United States or (B) reside in the United States after being legally admitted for permanent residence therein."

"TITLE VI—FEDERAL-STATE TRAINING PROGRAMS

"Findings and purpose

"SEC. 601. (a) The Congress finds that the rapid expansion of the Nation's urban areas and urban population has caused severe problems in urban and suburban development and created a national need to (1) provide special training in skills needed for economic and efficient community development and (2) support research in new or improved methods of dealing with community development problems.

"(b) It is the purpose of this title to assist and encourage the States, in cooperation with public or private universities and colleges and urban centers, to (1) organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are likely to be, employed by a governmental or public body which has responsibilities for community development; and (2) support State and local research that is needed in connection with housing programs and needs, public improvement programming, code problems, efficient land use, urban transportation, and similar community development problems.

"Matching grants to States

"SEC. 602. (a) Subject to the provisions of this title and in accordance with regulations prescribed by him, the Administrator may make matching grants to States to assist in—

"(1) organizing, initiating, developing, or expanding programs to provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are likely to be, employed by a governmental or public

body which has responsibilities for community development; and

"(2) supporting State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems, and collecting, collating, and publishing statistics and information relating to such research.

"(b) No grants may be made to a State under this title unless the Administrator has approved a plan for the State which—

"(1) sets forth the proposed use of the funds and the objectives to be accomplished;

"(2) explains the method by which the required amounts from non-Federal sources will be obtained;

"(3) provides such fiscal control and fund accounting procedures as may be reasonably necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this title;

"(4) designates an officer or agency of the State government who has responsibility and authority for the administration of a statewide research and training program as the officer or agency with responsibility and authority for the execution of the State program under this title; and

"(5) provides that such officer or agency will make such reports to the Administrator, in such form, and containing such information, as may be reasonably necessary to enable the Administrator to perform his duties under this title.

"(c) No grant may be made under this title for any use unless an amount at least equal to such grant is made available from non-Federal sources for the same purpose and for concurrent use.

"(d) There is authorized to be appropriated for grants under this title, without fiscal year limitation, not to exceed \$10,000,000.

"State limit

"SEC. 603. Not more than 10 per centum of the total amount authorized to be appropriated by section 602(d) may be used for making grants to any one State.

"Technical assistance, studies, and publication of information

"SEC. 604. In order to carry out the purpose of this title, the Administrator is authorized to provide technical assistance to State and local governmental or public bodies and to undertake such studies and publish and distribute such information, either directly or by contract, as he shall determine to be desirable. Nothing contained in this title shall limit any authority of the Administrator under any other provision of law.

"Miscellaneous

"SEC. 605. (a) As used in this title, the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands; and the term 'Administrator' means the Housing and Home Finance Administrator.

"(b) There are authorized to be appropriated such sums as may be necessary for administrative and other expenses in carrying out this title.

"TITLE VII—COMMUNITY FACILITIES

"Public facility loans

"SEC. 701. (a) Section 202(a) of the Housing Amendments of 1955 is amended by striking out 'instrumentalities of States' in clause (1) of the first sentence and inserting in lieu thereof 'instrumentalities of one or more States', and by striking out 'in the same State' in such clause and inserting in lieu thereof 'of one or more States'.

"(b) Section 202(b) (4) of such Amendments is amended by inserting '(A)' before 'to any municipality' in the first sentence, and by striking out everything in such sentence after 'most recent decennial census, or' and inserting in lieu thereof the follow-

ing: '(B) to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States, unless each municipality, political subdivision, and unincorporated area to be served by the specific public work or facility for which assistance is sought under this section has a population less than the applicable figures under clause (A) according to such census.'

"Advances for public works planning

"SEC. 702. (a) Section 702(e) of the Housing Act of 1954 is amended to read as follows:

"(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances (and claims in connection with advances) outstanding as of such date, under title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-2). There are authorized to be appropriated to such revolving fund, in addition to amounts authorized to be appropriated for the purposes of this section prior to the date of the enactment of the Housing Act of 1964, such sums, not to exceed \$20,000,000, as may be necessary to carry out the purposes of this section.

"(b) Section 702 of such Act is further amended by adding at the end thereof the following new subsection:

"(h) (1) Notwithstanding any other provision of law, if a public agency or Indian tribe undertakes to construct only a portion of a public work planned with an advance under this section, under title V of the War Mobilization and Reconversion Act of 1944, or under the Act of October 13, 1949, it shall repay only such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable.

"(2) The Administrator is authorized to terminate, upon such terms and conditions as he shall deem equitable, all or a portion of the liability for repayment of any advance made under this section, title V of the War Mobilization and Reconversion Act of 1944, or the Act of October 13, 1949. Whenever the Administrator determines that there is no reasonable likelihood that the public work, or a portion of the public work, planned with such advance will be constructed, he may terminate the agreement for the advance. Such determination shall be conclusive and shall be based on standards prescribed by regulations to be issued by the Administrator.

"(c) Section 702 of such Act is further amended—

"(1) by striking out 'public agencies' wherever that term appears in subsection (a) and inserting in lieu thereof 'public agencies and Indian tribes';

"(2) by striking out 'public agency' in clause (3) of subsection (b) and inserting in lieu thereof 'public agency or Indian tribe';

"(3) by striking out 'to any public agency' and 'by the public agency' in subsection (c) and inserting in lieu thereof 'to any public agency or Indian tribe', respectively, and by striking out 'by such agency' in such subsection and inserting in lieu thereof 'by such agency or tribe'; and

"(4) by striking out 'That if' and all that follows down through 'And provided further,' in subsection (c).

"(d) Section 702(f) of such Act is amended by striking out '\$50,000' and inserting in lieu thereof '\$100,000'.

"(e) Section 702(a) of such Act is amended by inserting immediately before the first colon the following: ', including, in the case of public works to be constructed in connection with the development of a medical center, a general plan for the development of such center'.

"(f) Section 702(b) of such Act is amended by striking out the last sentence.

"TITLE VIII—SAVINGS AND LOAN ASSOCIATIONS

"SEC. 801. (a) The first sentence of section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out 'fifty miles' and inserting in lieu thereof 'one hundred miles'.

"(b) The third sentence of section 403(b) of the National Housing Act is amended by striking out all that precedes the first semicolon and inserting in lieu thereof the following: 'Each applicant for such insurance shall also file with its application an agreement that during the period that the insurance is in force it will not make any loans beyond one hundred miles from its principal office, except (1) loans in the area beyond such one-hundred-mile limit in which it was operating prior to June 27, 1934, and (2) loans which are made pursuant to regulations of the Corporation: *Provided*, That such agreement shall further provide that any loan made beyond fifty miles from the applicant's principal office (and outside the territory in which it was operating on such date) shall also be subject to such regulations'.

"SEC. 802. The first proviso in section 5(c) of the Home Owners' Loan Act of 1933 is amended—

"(1) by striking out '\$35,000' and inserting in lieu thereof '\$40,000'; and

"(2) by striking out ', except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association.'

"SEC. 803. The next to last paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows:

"Without regard to any other provision of this subsection, any such association is authorized to invest not more than 5 per centum of its assets in, or in interests in, real property located within urban renewal areas as defined in subsection (a) of section 110 of the Housing Act of 1949 and obligations secured by first liens on real property so located, but no investment shall be made by an association under this sentence in real property or any interest therein if the aggregate investment of the association under this sentence in real property and interests therein, determined as prescribed by the Board, would thereupon exceed 2 per centum of the assets of the association.'

"SEC. 804. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof a new paragraph as follows:

"For the purpose of this section the terms 'real property' and 'real estate' shall include a leasehold or subleasehold estate in real property under a lease or sublease the term of which does not expire, or which is renewable automatically or at the option of the holder (or at the option of the association) so as not to expire, for at least fifteen years beyond the maturity of the debt, or for such shorter period as the Board, by regulation, may prescribe.'

"SEC. 805. Section 5(c) of the Home Owners' Loan Act of 1933 is further amended by adding at the end thereof (after the paragraph added by section 804 of this Act) the following new paragraph:

"6. Any such association is authorized to invest in the capital stock, obligations, or other securities of any corporation organized under the laws of the State, District, Commonwealth, territory, or possession in which the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by savings

and loan associations of that State, District, Commonwealth, territory, or possession and by Federal savings and loan associations having their home offices therein, but no association may make any investment under this sentence if its aggregate outstanding investment under this sentence, determined as prescribed by the Board, would thereupon exceed 1 per centum of its assets."

"Sec. 806. Section 10(b) of the Federal Home Loan Bank Act is amended—

"(1) by striking out 'twenty-five' in clause (1) and inserting in lieu thereof 'thirty'; and

"(2) by striking out '\$35,000' in clause (2) and inserting in lieu thereof '\$40,000'."

"Sec. 807. The second proviso in the first paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out 'or in the obligations of the Federal National Mortgage Association' and inserting in lieu thereof the following: '; or in obligations of the Federal National Mortgage Association or of any other agency of the United States; or in obligations of or guaranteed by, or special obligations (which may be defined by the Board) issued by, any one or more of the following: any State, any county, municipality, or political subdivision of any State, or any district, public instrumentality, or public authority of any one or more of the foregoing; and as used in this proviso the term 'State' shall include the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States'."

"Sec. 808. The first sentence of the second paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows: 'Without regard to any other provision of this subsection except the area requirement, any such association is authorized to invest a sum not in excess of 20 per centum of the assets of such association in loans insured under title I of the National Housing Act, in home improvement loans insured under title II of the National Housing Act, in unsecured loans insured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as amended, or chapter 37 of title 38 of the United States Code, and in other loans for property alteration, repair, or improvement: *Provided*, That no such loan, unless so insured or guaranteed, shall be made in excess of \$5,000.'"

"Sec. 809. Title IV of the National Housing Act is amended by adding at the end thereof the following new section:

"Investment of certain funds in accounts of insured institutions"

"Sec. 409. The savings accounts and share accounts held by institutions insured by the Corporation, to the extent they are insured by the Corporation, shall be lawful investments and may be accepted as security for all public funds of the United States, fiduciary and trust funds under the authority or control of the United States or any officer or officers thereof, and for the funds of all corporations organized under the laws of the United States, regardless of any limitation of law upon the investment of any such funds or upon the acceptance of security for the investment or deposit of any such funds."

"Sec. 810. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by inserting after the second paragraph the following new paragraph:

"Without regard to any other provision of this subsection, any such association is authorized to invest in loans, obligations, and advances of credit (all of which are hereinafter referred to as "loans" made for the payment of expenses of colleges or university education, but no association shall make any investment in loans under this paragraph if the principal amount of its investment in such loans, exclusive of any investment which

is or which at the time of its making was otherwise authorized, would thereupon exceed 5 per centum of its assets."

"TITLE IX—MISCELLANEOUS"

"FNMA—Removal of \$20,000 mortgage amount limitation"

"Sec. 901. Section 302(b) of the National Housing Act is amended—

"(1) by striking out 'any mortgage' in clause (3) and inserting in lieu thereof 'any mortgage under section 305'; and

"(2) by striking out the proviso in clause (3)."

"FNMA—Ninety per centum loans"

"Sec. 902. Section 304(a)(2) of the National Housing Act is amended by striking out '80 per centum' and inserting in lieu thereof '90 per centum'."

"Transfer of mortgagor's equity in residence covered by FHA—insured mortgage"

"Sec. 903. (a) If—

"(1) an individual is the mortgagor under a mortgage which is insured under the National Housing Act and which covers a one-, two-, three-, or four-family residence being used by such individual as his principal residence;

"(2) such individual is not in default on any payments under such mortgage, and either (A) at least one year has expired since the date of the execution of the mortgage or (B) such individual's equity in the property covered by the mortgage is at least \$500; and

"(3) such individual is required to move to a new location in the United States for reasons of health, because of a change in his employment, or for any other cause determined by the Federal Housing Commissioner to be unreasonable or unavoidable, then, under regulations prescribed by the Federal Housing Commissioner, such individual may transfer his equity in the property to a similar dwelling in the new location; in the manner provided by subsection (b)."

"(b) An individual desiring to transfer his equity as provided in subsection (a) shall make application therefor to the Federal Housing Commissioner in such manner and form, and in accordance with such terms and conditions, as the Commissioner may require. The Commissioner may approve the application if he finds that the individual meets the conditions specified in subsection (a) and in the preceding sentence, and if the Commissioner holds title to a dwelling in the new location (acquired by him under section 204, 213(e), 220(f)(1), 221(g)(1), 222(d), 233(e), or 809(d) of the National Housing Act, or in any other manner) which such individual desires to purchase for use as his principal residence in the new location. Upon approving the application the Commissioner shall effect the transfer of the individual's equity by accepting the conveyance from him of title to his existing dwelling and selling to him the dwelling in the new location, for cash or credit and on terms and conditions as nearly equivalent to those applicable to the existing dwelling as may be practicable, but in any case reducing the purchase price thereof by an amount equal to the equity held by such individual in the existing dwelling."

"(c) As used in this section, the term 'equity', with respect to any property, means the amount determined by the Federal Housing Commissioner to be the value of the owner's interest in the property after deducting an amount equal to the customary sales expense and conveyancing costs prevailing in the locality for similar properties."

"Open-space program—Grant authorization"

"Sec. 904. Section 702(b) of the Housing Act of 1961 is amended—

"(1) by striking out '\$50,000,000' and inserting in lieu thereof '\$75,000,000'; and

"(2) by adding at the end thereof the following: 'All funds so appropriated shall remain available until expended.'"

"College housing loans"

"Sec. 905. The second paragraph of section 404(b) of the Housing Act of 1950 is amended by adding at the end thereof the following new sentence: 'Where State law would prevent the institution (or all of the institutions) for whose students or students and faculty the housing is to be provided from cosigning the note, the Administrator shall instead require the approval of the corporation and the proposed project by such institution (or by any one or more of such institutions).'"

"Acquisition of certain housing by Secretary of Defense"

"Sec. 906. The first sentence of section 404(a) of the Housing Amendments of 1955 is amended by inserting before the period at the end thereof the following: ', or (3) any housing situated on or adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) considered by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 608 of the National Housing Act, including adjacent property constructed primarily to provide commercial facilities for the occupants of such housing'."

"Forest Hills project in Paducah, Kentucky"

"Sec. 907. The Federal Housing Commissioner is authorized and directed to sell to the Paducah-McCracken County Development Council, Incorporated, of Paducah, Kentucky, for use as a public facility (including such use by the Paducah Junior College as may be deemed appropriate by such Council), and for a total price of \$1,000,000, all right, title, and interest of the United States in and to the housing project in Paducah known as Forest Hills (a project constructed under title VIII of the National Housing Act as in effect prior to August 11, 1955, and subsequently acquired by the Federal Housing Administration)."

"Payment in lieu of taxes by Hawaii Housing Authority"

"Sec. 908. Notwithstanding the provisions of any other law or any contract or rule of law, the Public Housing Commissioner shall approve a payment in lieu of taxes to be made for the fiscal year ended June 30, 1959, in the amount of \$24,167.78, by the Hawaii Housing Authority to the city and county of Honolulu."

"Transfer of land for urban renewal purposes by Philadelphia Housing Authority"

"Sec. 909. (a) Notwithstanding the provisions of title I of the Housing Act of 1949 and the United States Housing Act of 1937, the Housing and Home Finance Administrator and the Public Housing Commissioner are authorized and directed to consent to the transfer by the Philadelphia Housing Authority to the Philadelphia Redevelopment Authority of all property acquired by the Housing Authority for low-rent housing project numbered Pennsylvania 2-51, on condition that (1) an amount which, together with any funds of the Housing Authority available for the purpose, is sufficient to pay and discharge all obligations incurred by the Housing Authority in connection with such low-rent housing project and owing at the time of transfer, will be paid by the Redevelopment Authority to the Public Housing Administration to be applied in satisfaction of the Housing Authority's obligations which it cannot meet with its own funds available for the purpose, and (2) the total amount so paid by the Rede-

velopment Authority will be included in the gross project cost of its Whitman urban renewal project, Pennsylvania R-35.

"(b) The Housing and Home Finance Administrator and the Public Housing Commissioner are authorized to modify any contracts heretofore entered into and to take any other appropriate action necessary to carry out the provisions of subsection (a).

"Eligibility of certain local grants-in-aid"

"SEC. 910. Notwithstanding the date of the commencement of construction of the Fox Point hurricane dam in Providence, Rhode Island, local expenditures made in connection with such dam shall, to the extent otherwise eligible, be counted as a local grant-in-aid to the railroad relocation urban renewal project (Rhode Island R-8) in accordance with the provisions of title I of the Housing Act of 1949."

Mr. MANSFIELD. Mr. President, the House of Representatives has passed Senate bill 3049 with an amendment. It has insisted upon the House amendment and has requested an immediate conference with the Senate. Conferees on the part of the House have been appointed.

I move that the Senate disagree to the House amendment and agree to the conference requested by the House on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Chair appointed Mr. SPARKMAN, Mr. DOUGLAS, Mr. CLARK, Mr. WILLIAMS of New Jersey, Mr. MUSKIE, Mr. LONG of Missouri, Mr. TOWER, Mr. BENNETT, and Mr. JAVITS conferees on the part of the Senate.

SALE OF THE MAJORITY INTEREST IN THE NEW YORK YANKEES TO THE COLUMBIA BROADCASTING SYSTEM

Mr. PEARSON. Mr. President, yesterday, the president of the American League, Mr. Joe Cronin, announced the sale of majority ownership of the New York Yankees to the Columbia Broadcasting System. This transaction represented the acquisition by CBS of 80 percent of the club's assets with an option to buy the remaining ownership interests within 5 years.

In accordance with the bylaws of the American League, this transfer of ownership was approved by three-fourths of the league's members.

The news accounts stated that the New York Yankees would be operated as a separate entity and independent of other CBS operations. We are further advised that at least two franchise owners are disturbed about this sale, but their objections appear to relate to league procedures rather than to other issues, and it is not my purpose to comment on their complaint. I would further observe, however, that Mr. Joseph Iglehart, chairman of the Baltimore Orioles and a CBS director until this morning, had resigned to avoid a conflict of interest. But, there does seem to be, according to other news reports, a substantial interrelationship between radio and TV ownership and the ownership and management of organized

baseball. As an example, I am advised that the president of the Detroit Tigers and the president of the Houston Colts have radio and/or TV interests.

Mr. President, very recently, the Senate Judiciary Committee reported Senate bill 2391, which had as its general purpose to limit the applicability of the antitrust laws so as to exempt certain aspects of designated professional team sports.

The bill specifically exempted from antitrust provisions organized professional team sports of baseball, football, basketball, and hockey as their operations related to:

First. The equalization of competitive playing strengths;

Second. The employment, selection, or eligibility of players, or the reservation, selection, or assignment of player contracts;

Third. The rights to operate within specific geographic areas; or

Fourth. The preservation of public confidence in the honesty in sports contests.

With this general purpose, I found myself in agreement although I was and am concerned at the prospect of baseball and football franchises hopscotching from community to community after having the benefit of municipal bond issues, stadium improvements, and the long support of loyal fans.

I expressed this concern in a letter addressed to the distinguished and able Senator PHILIP HART, chairman of the Subcommittee on Antitrust and Monopoly, on June 25, a copy of which I ask unanimous consent to be inserted in the RECORD at this time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 25, 1964.

Hon. PHILIP A. HART,
Chairman, Subcommittee on Antitrust and Monopoly, Senate Office Building, Washington, D.C.

DEAR SENATOR: I understand your subcommittee is now engaged in final discussions of S. 2391 and I wanted to advise you of my support for this legislation.

Professional athletics need certain guarantees which will provide them with the necessary legislative support to permit equal opportunity to survive economically.

However, I am concerned with subparagraph (3) on page 2 of the bill which refers to "the right to operate within specific geographic areas." In today's operation of professional athletics and the organization of leagues, there exists another problem which I refer to as "hopscotching" of franchises from one section of the country to another.

Specifically, I believe serious consideration should be given to the removal of subparagraph (3) in order to offer some protection to cities and the public. In my opinion, removal of this subparagraph would not prohibit the removal of a franchise for any legitimate reason and would aid in the protection of municipalities against overnight loss of their professional athletic groups. Cities and counties have, and in all probability will, continue to erect, through municipal bond issues and considerable private investment, the necessary stadium facilities and requirements necessary for the operation of professional athletic clubs. They should, therefore, have some guarantee of future security for their professional athletic groups.

I know your subcommittee has worked

many months on this legislation, knowing it was necessary for the encouragement of sports in this Nation. My greatest concern is that this protection for cities be included in the history of the legislation to warn professional sports that any abuse or misuse of the law will engender stricter legislative action.

Very truly yours,

JAMES B. PEARSON,
U.S. Senator.

Mr. PEARSON. Mr. President, let me now make it emphatically clear that, on the basis of the information received and the facts known, there is no cause to infer or to suspect that the subject transaction should be condemned. In relation to the bill previously mentioned, it does merit inquiry.

It does represent a substantial departure from the traditional makeup of franchise ownership and organized baseball.

Mr. President, professional sports is a big business. The radio and television coverage of these events is likewise big business.

As further evidence in support of these allegations, I direct the Senate's attention to an editorial written by the sports editor of the Kansas City Star, Ernie Mehl, which appeared in the Kansas City Star on August 14, 1964. It reads:

The viewer who seats himself in front of a television set to watch a sports event can have no conception of the money being spent today to bring this entertainment to him.

At the recent major league baseball meeting in Chicago, it was voted to submit to the networks a package of Monday night's spectaculars starting next year with two games to be listed each Monday night—one a standby in the event of cancellation by weather of the first one.

Within 30 days, the networks are to be called by the advertising agencies which are putting the deal together. If the acceptance is as enthusiastic as some of the baseball men feel it may be, the profits will be pooled and split among the 20 major league clubs, providing each owner with what could be a sizable addition to his returns.

Already this year, telecasting rights for all national football games have been sold for a 2-year period for \$28.2 million. And the American Football League has a 5-year contract starting in 1965 which calls for \$36 million.

In the August issue of Broadcasting, a magazine devoted to the radio and television industry, the sums to be spent this year for collegiate, professional, and championship Canadian football games are broken down. It will cost the advertisers \$90 million, and the various sports will benefit by \$27,309,000.

To this is added radio broadcasts with the American and National Football Leagues getting back \$935,000, and the 156 colleges receiving \$1,175,650.

Next year, when the American Football League starts its participation and if the major league proposal is taken, that total will go much higher.

With this much money involved, the organizations involved have less and less to say about how and when their engagements are staged.

Once the professional and collegiate conference games were taken care of, the magazine reports, the networks did some switching of Bowl games through the magic medium of money.

The Orange Bowl from Miami, which spent 3 years on ABC-TV, after a long tenure with CBS, went to NBC-TV in January for a reported \$300,000 a year on a 3-year contract. The network announced that the Orange

August 18, 1964

14. PERSONNEL. The Post Office and Civil Service Committee reported without amendment S. 1974, to amend the Federal Employees' Group Life Insurance Act with regard to filing designation of beneficiaries (S. Rept. 1472); and H.R. 3545, to amend section 131 of title 13, U. S. C., to provide for taking of the economic census 1 year earlier starting in 1968 (S. Rept. 1475). p. 19434
 15. THE INTERIOR AND INSULAR AFFAIRS COMMITTEE reported with amendment S. J. Res. 6, to cancel any unpaid reimbursable construction costs of the Wind River irrigation project, Wyo., chargeable against certain non-Indian lands (S. Rept. 1464); H. R. 5498, to provide temporary authority for the sale of certain public lands (S. Rept. 1471); S. 2327, to amend section 27 of the Mineral Leasing Act of Feb. 25, 1920 in order to promote the development of coal on the public domain (S. Rept. 1466). p. 19352
 16. LEGISLATIVE PROGRAM. Sen. Mansfield announced that today, Wed., the Senate would take up the conference reports on the wilderness and housing bills, the Northwest power intertie, food-for-peace, and Labor and HEW appropriation bills. pp. 19413-4
- HOUSE
17. MEAT IMPORTS. Both Houses, the House by 232 to 149, agreed to the conference report on H. R. 1839, to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products. The conferees reported that a "new text is substituted for both the text of the bill as passed by the House and the text of the Senate amendment." This bill will now be sent to the President. pp. 19390-405, 19479-501
 18. CONTINUING RESOLUTION. Both Houses passed H. J. Res. 1160, making continuing appropriations for fiscal year 1965. The resolution provides funds through Sept. 30, 1964 for continuing those functions of the Government for which annual appropriation bills have not yet been enacted. This bill will now be sent to the President. pp. 19376, 19437-40
 19. AGRICULTURE APPROPRIATION BILL, 1965. Conferees were appointed on this bill, H. R. 11202, and consent was given that the committee have until midnight, Tues., to file a report. p. 19440
 20. POLLUTION; BUDGET. Rep. Monagan commended the new Budget Bureau directive requiring that all Federal facilities and buildings hereafter designed and constructed to include adequate systems for the control and treatment of discharges resulting in either air or water pollution. p. 19441
 21. AWARDS. Passed without amendment H. R. 12342, to authorize certain retired and other personnel of the U. S. Government to accept and wear decorations, presents, and other things tendered them by certain foreign countries. Mentioned in this bill are several employees of this Department. pp. 19448-78
 22. COFFEE. Insisted on further disagreement to Senate amendments to H. R. 8864, to implement the International Coffee Agreement. Conferees were appointed for a further conference. Senate conferees have been appointed. pp. 19501-7
Rep. Dwyer urged the House to reject the conference report on H. R. 8864. pp. 19538-9
 23. RESEARCH. Agreed to the conference report on H. R. 4364, to provide for the free entry of mass spectrometers for Oregon State and Wayne State universities. This bill will now be sent to the President. pp. 19513-4

24. ELECTRIFICATION. By a vote of 230 to 134 agreed to the conference report on S. 1007, to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal hydroelectric plants in that region and to guarantee electric consumers in other regions reciprocal priority. pp. 19519-25
25. WILDLIFE. Agreed to the conference report on S. 793, to provide a permanent basis for the management of the four wildlife refuges in the Klamath River Basin of Calif. and Ore. p. 19526
26. HOUSING. Received the conference report on S. 3049, the housing bill (H. Rept 1828). pp. 19553-67, 19568
27. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 2411, to authorize the Secretary of the Interior to construct, operate, and maintain the Auburn-Folsom south unit, American River division, Central Valley project, Calif. (H. Rept. 1826). p. 19568
28. TARIFFS. Rep. Dent stated that he has "battled against the intemperate program of tariff cutting that has plagued American industry" and inserted a statement presented to the Democratic Party platform committee on trade policies. pp. 19544-6, 19546-7
29. APPALACHIA. Rep. Schwengel inserted the transcript of testimony gathered on a "factfinding" tour of the Appalachian region. pp. 19531-8
30. BALANCE OF PAYMENTS. Rep. Curtis inserted his report on the recent progress of the balance of payments and stated that "it is indeed an alarming situation." pp. 19442, 19529-30

ITEMS IN APPENDIX

31. FARM INCOME. Rep. Michel inserted an article, "Farm Income and Political Demagogues." pp. A4374-5
32. RESEARCH. Extension of remarks of Rep. Garmatz inserting an address before the Maryland Governors' Conference on the development of the national oceanographic program and the part Congress has taken in connection with it. pp. A4386-8
33. WHEAT. Extension of remarks of Rep. Findley inserting an article and stating that it "shows how the United States sale of wheat to Russia helped Castro solve a bread problem in Cuba." p. A4388
34. OPINION POLL. Rep. Quie inserted the results of a questionnaire, including items of interest to this Department. pp. A4390-1
35. MEAT PRICES. Extension of remarks of Sen. Metcalf stating that the Mont. cattleman has "for many years been unable to understand why cattle prices can be as low as they are most of the time, and beef prices at the meat counter be as high as they consistently are," and inserting two articles on this subject. p. A4394
36. HOUSING. Speech in the House by Rep. Donohue urging support and early enactment of the housing bill. p. A4399

BILLS INTRODUCED

PUBLIC WORKS.

37. /S. 3134, by Sen. Inouye, to require bidders for public works construction

HOUSING ACT OF 1964

AUGUST 18, 1964.—Ordered to be printed

Mr. PATMAN, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 3049]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3049) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That this Act may be cited as the "Housing Act of 1964".*

TITLE I—AMENDMENTS TO THE NATIONAL HOUSING ACT

TIME LIMIT ON FHA RECOUPMENT OF TITLE I INSURANCE PAYMENTS

SEC. 101. Section 2(g) of the National Housing Act is amended by striking out "after December 31, 1957,".

MORTGAGE LIMITS FOR HOMES UNDER SECTION 203 PROGRAMS

SEC. 102. (a) Section 203(b)(2) of the National Housing Act is amended by striking out "\$25,000", "\$27,500", "\$27,500", and "\$35,000" and inserting in lieu thereof "\$30,000", "\$32,500", "\$32,500", and "\$37,500", respectively.

(b) Section 203(i) of such Act is amended by striking out "\$9,000" and inserting in lieu thereof "\$11,000".

HOME IMPROVEMENT LOANS OUTSIDE OF URBAN RENEWAL AREAS

SEC. 103. Section 203(k) of the National Housing Act is amended by—
(1) striking out in clause (2) “economically sound” and inserting in lieu thereof “an acceptable risk”;

(2) striking out clause (4) and inserting in lieu thereof the following: “(4) insurance benefits shall be paid in cash out of the Section 203 Home Improvement Account or in debentures executed in the name of such Account”; and

(3) striking out in the third sentence “Debentures issued with respect to loans insured under this subsection shall be issued” and inserting in lieu thereof “Insurance benefits paid with respect to loans insured under this subsection shall be paid”.

ADDITIONAL RELIEF FOR HOME MORTGAGORS IN DEFAULT DUE TO CIRCUMSTANCES BEYOND THEIR CONTROL

SEC. 104. (a) Section 204(a) of the National Housing Act is amended by striking out the fourth proviso and inserting in lieu thereof the following: “: And provided further, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor, he may, upon such terms and conditions as he may prescribe, (1) approve the request of the mortgagee for an extension of the time for the curing of the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property to such time as the Commissioner may determine is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means the Commissioner is authorized to include in the debentures an amount equal to any unpaid mortgage interest, or (2) approve a modification of the terms of the mortgage for the purpose of changing the amortization provisions by recasting, over the remaining term of the mortgage or over such longer period as may be approved by the Commissioner, the total unpaid amount then due, as determined by the Commissioner, with the modification to become effective currently or to become effective upon the termination of an agreed-upon extension of the period for curing the default; and the principal amount of the mortgage, as modified, shall be considered to be the ‘original principal obligation of the mortgage’ as that term is used in this Act for the purpose of computing the total face value of the debentures to be issued or the cash payment to be made by the Commissioner to a mortgagee”.

(b) Section 230 of such Act is amended by striking out the first sentence and inserting in lieu thereof the following: “Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner, in his discretion and for the purpose of avoiding foreclosure of the mortgage, and notwithstanding the fact that he has previously approved a request of the mortgagee for an extension of the time for curing the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, or has approved a modification of the mortgage for the purpose of changing the amortization provisions by recasting the unpaid balance, may acquire the loan and security therefor

upon payment of the insurance benefits in an amount equal to the unpaid principal balance of the loan plus any unpaid mortgage interest plus reimbursement for such costs and attorney's fees as the Commissioner finds were properly incurred in connection with the defaulted mortgage and its assignment to the Commissioner, and for any proper advances theretofore made by the mortgagee under the provisions of the mortgage. After the acquisition of such mortgage by the Commissioner, the mortgagee shall have no further rights, liabilities, or obligations with respect thereto."

CHANGES IN FHA INSURANCE BENEFITS AND SIMPLIFICATION OF
PAYMENT PROCEDURES

SEC. 105. (a) Section 204 of the National Housing Act is amended by—

(1) striking out in the third sentence of subsection (a) the words "insurance on the mortgaged property, and any mortgage insurance premiums paid after either of such dates" and inserting in lieu thereof the following: "charges for the administration, operation, maintenance and repair of community-owned property or the maintenance and repair of the mortgaged property, the obligation for which arises out of a covenant filed for record and approved by the Commissioner prior to the insurance of the mortgage, insurance on the mortgaged property, and any mortgage insurance premiums";

(2) inserting after the colon following the second proviso of subsection (a) two additional provisos as follows: "And provided further, That with respect to a mortgage accepted for insurance pursuant to a commitment issued on or after the date of enactment of the Housing Act of 1964, the Commissioner may include in debentures or in the cash payment an amount not to exceed the foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner: And provided further, That with respect to a mortgage accepted for insurance pursuant to a commitment issued prior to the date of enactment of the Housing Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures or in the cash payment, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee:";

(3) striking out "and the payment of insurance premiums" in the third proviso in subsection (a) (as numbered prior to the amendment made by paragraph (2)), and by inserting before the colon at the end of such proviso the following: "": And provided further, That where the claim is paid in cash there shall be included in the cash payment an amount equivalent to the compensation for loss of debenture interest that would be included in computing debentures if such claim were being paid in debentures";

(4) striking out "\$50" in the second sentence of subsection (c) and inserting in lieu thereof "\$350";

(5) striking out in the second sentence of subsection (d) " , except that debentures issued pursuant to the provisions of section 220(f), section 221(g), and section 233 may be dated as of the date the mortgage is assigned (or the property is conveyed) to the Commissioner, and" and inserting in lieu thereof "": Provided, That deben-

tures issued pursuant to claims for insurance filed on or after the date of enactment of the Housing Act of 1964 shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures";

(6)(A) inserting "(1)" after "(e)" in subsection (e); striking out "The certificate" in such subsection and inserting in lieu thereof "Subject to paragraph (2), the certificate"; and adding at the end of such subsection a new paragraph as follows:

"(2) A certificate of claim shall not be issued and the provisions of paragraph (1) of this subsection shall not be applicable in the case of a mortgage accepted for insurance pursuant to a commitment issued on or after the date of enactment of the Housing Act of 1964.";

(B) striking out "and a certificate of claim" in the second sentence of subsection (a) and inserting in lieu thereof "and (subject to subsection (e)(2)) a certificate of claim";

(7) striking out the first paragraph of subsection (f) and inserting in lieu thereof the following:

"(f) (1) If, after deducting (in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound accounting practice) the expenses incurred by the Commissioner, the net amount realized from any property conveyed to the Commissioner under this section and the claims assigned therewith exceed the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be divided as follows:";

(8) redesignating the second paragraph of subsection (f) as paragraph (i), and striking out "207; and" at the end of the paragraph and inserting in lieu thereof the following: "207: Provided, That on and after the date of enactment of the Housing Act of 1964, any excess remaining after payment to the holder of the full amount of the certificate of claim, together with the accrued interest increment thereon, shall be retained by the Commissioner and credited to the applicable insurance fund; and";

(9) redesignating the third paragraph of subsection (f) as paragraph (ii);

(10) designating the last paragraph of subsection (f) as paragraph (2) and inserting the following before the period at the end thereof: "": Provided, That the settlement authority created by the Housing Amendments of 1955 shall be terminated with respect to any certificates of claim outstanding as of the date of enactment of the Housing Act of 1964"; and

(11) inserting at the end of subsection (f) a new paragraph as follows:

"(3) With the consent of the holder thereof, the Commissioner is authorized, without awaiting the final liquidation of the Commissioner's interest in the property, to settle any certificate of claim issued pursuant to subsection (e), with respect to which settlement had not been effected prior to the date of enactment of the Housing Act of 1964, by making payment in cash to the holder thereof of such amount not exceeding the face amount of the certificate of claim, together with the accrued interest thereon, as the Commissioner may consider appropriate: Provided, That in any case where the certificate of claim is settled in accordance with the provisions of this paragraph, any amounts realized after the date of enactment of the Housing Act of 1964, in the liquidation of the Com-

missioner's interest in the property, shall be retained by the Commissioner and credited to the applicable insurance fund."

(b) Section 207(g) of such Act is amended by adding at the end thereof following: "Notwithstanding any other provision of this Act, upon receipt, after the date of enactment of the Housing Act of 1964, of an application for insurance benefits on a mortgage insured under this Act, the Commissioner may terminate the mortgagee's obligation to pay premium charges on the mortgage."

(c)(1) Sections 203(k), 220(f)(3), 220(h)(6), and 233(g) of such Act are each amended by adding at the end thereof the following: "If the insurance payment is made in cash, there shall be added to such payment an amount equivalent to the interest which the debentures would have earned, computed to a date to be established pursuant to regulations issued by the Commissioner."

(2) Section 221(g)(3) of such Act is amended by striking out "; or" at the end thereof and inserting in lieu thereof a period and the following: "If the insurance is paid in cash, there shall be added to such payment an amount equivalent to the interest which the debentures would have earned, computed to a date to be established pursuant to regulations issued by the Commissioner."

(d) Section 604 of the National Housing Act is amended by—

(1) inserting after the colon following the first proviso in subsection (a) an additional proviso as follows: "Provided further, That with respect to any debentures issued on or after the date of enactment of the Housing Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee:";

(2) striking out "\$50" in the second sentence of subsection (c) and inserting in lieu thereof "\$350";

(3) striking out "default, and" in the second sentence of subsection (d) and inserting in lieu thereof the following: "default, except that debentures issued pursuant to claims for insurance filed on or after the date of enactment of the Housing Act of 1964, shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures";

(4) striking out the first paragraph of subsection (f) and inserting in lieu thereof the following:

"(f)(1) If, after deducting (in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound accounting practice) the expenses incurred by the Commissioner, the net amount realized from any property conveyed to the Commissioner under this section and the claims assigned therewith exceed the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be divided as follows:";

(5) redesignating the second paragraph of subsection (f) as paragraph (i), and striking out "property; and" at the end of the paragraph and inserting in lieu thereof the following: "property: Provided, That on and after the date of enactment of the Housing Act of 1964, any excess remaining after payment to the holder of the full

amount of the certificate of claim shall be retained by the Commissioner and credited to the War Housing Insurance Fund; and”;

(6) redesignating the third paragraph of subsection (f) as paragraph (ii);

(7) designating the last paragraph of subsection (f) as paragraph (2) and inserting the following before the period at the end thereof: “: Provided, That the settlement authority created by the Housing Amendments of 1955 shall be terminated with respect to any certificate of claim outstanding as of the date of enactment of the Housing Act of 1964”; and

(8) inserting at the end of subsection (f) a new paragraph as follows:

“(3) With the consent of the holder thereof, the Commissioner is authorized to settle, without awaiting the final liquidation of the Commissioner’s interest in the property, any certificate of claim issued pursuant to subsection (e), with respect to which a settlement had not been effected prior to the date of enactment of the Housing Act of 1964, by making payment in cash to the holder thereof of such amount, not exceeding the face amount of the certificate of claim, together with the accrued interest increment thereon, as the Commissioner may consider appropriate: Provided, That in any case where the certificate of claim is settled in accordance with the provisions of this paragraph, any amounts realized after the date of enactment of the Housing Act of 1964, in the liquidation of the Commissioner’s interest in the property, shall be retained by the Commissioner and credited to the applicable insurance fund.”

(e) Section 904 of such Act is amended by—

(1) inserting after the colon following the first proviso in subsection (a) an additional proviso as follows: “Provided further, That with respect to any debentures issued on or after the date of enactment of the Housing Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee.”;

(2) striking out “\$50” in the second sentence of subsection (c) and inserting in lieu thereof “\$350”; and

(3) striking out “default, and” in the second sentence of subsection (d) and inserting in lieu thereof the following: “default, except that debentures issued pursuant to claims for insurance filed on or after the date of enactment of the Housing Act of 1964 shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures”.

(f) Sections 604 and 904 of such Act are each amended by striking out in the third sentence of subsection (a) “paid after either of such dates”.

MAXIMUM AMOUNT OF SECTION 207 RENTAL HOUSING MORTGAGES

SEC. 106. Section 207(c)(2) of the National Housing Act is amended by striking out all that follows the first colon and precedes “to mortgages on housing in Alaska”, and inserting in lieu thereof the following: “Provided, That this limitation shall not apply”.

FAMILY UNIT LIMITS ON FHA RENTAL HOUSING

SEC. 107. (a) Section 207(c)(3) of the National Housing Act is amended by striking out the first paragraph and inserting in lieu thereof the following:

"(3) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms or not to exceed \$1,800 per space or \$500,000 per mortgage for trailer courts or parks; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require."

(b) Section 213(b)(2) of such Act is amended by striking out all that precedes the third proviso and inserting in lieu thereof the following:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms, and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: Provided, That as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: Provided further, That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require".

(c) Section 220(d)(3)(B)(iii) of such Act is amended to read as follows:

"(iii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500

per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require: *Provided*, That nothing contained in this subparagraph shall preclude the insurance of mortgages covering existing multifamily dwellings to be rehabilitated or reconstructed for the purposes set forth in subsection (a) of this section; and”.

(d)(1) Section 221(d)(3)(ii) of such Act is amended to read as follows:

“(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require; and”.

(2) Section 221(d)(4)(ii) of such Act is amended to read as follows:

“(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require;”.

(e) Section 231(c)(2) of such Act is amended to read as follows:

“(2) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with

three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require;”.

(f)(1) Clause (2) in the first sentence of section 810(f) of such Act is amended by striking out “\$2,500 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit)” and inserting in lieu thereof “\$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms”.

(2) The second sentence of section 810(f) of such Act is amended to read as follows: “The Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require.”

(g) If the Federal Housing Commissioner determines that it would be inequitable to apply the provisions of the National Housing Act as amended by this section to a project which had been submitted for his consideration prior to the date of the enactment of this Act, such provisions may be applied to such project without regard to the amendments made by this section.

ELIMINATION OF MANDATORY ACQUISITION OR FORECLOSURE WITHIN ONE YEAR OF MULTIFAMILY PROJECT IN DEFAULT

SEC. 108. Section 207(k) of the National Housing Act is amended by striking out the second sentence.

SUPPLEMENTARY COOPERATIVE LOANS UNDER SECTION 213(j)

SEC. 109. (a) Section 213(j)(1) of the National Housing Act is amended—

- (1) by striking out “or” at the end of clause (A);
- (2) by striking out the period at the end of clause (B) and inserting in lieu thereof “; or”; and
- (3) by adding at the end thereof the following new clause:
“(C) Cooperative purchases and resales of memberships in order to provide necessary refinancing for resales of memberships which involve increases in equity; but in such resales by the cooperative the downpayments by the new members shall not be less than those made on the original sales of such memberships.”

(b) Section 305(e) of such Act is amended by adding at the end thereof the following new sentence: “Without regard to any of the limitations of this subsection except the total amount of authorizations available, the Association is authorized to enter into advance commitment contracts

and purchase transactions on supplementing cooperative loans with respect to which the Federal Housing Commissioner shall have issued, pursuant to section 213(j), either a commitment to insure or a statement of eligibility; but such commitments and purchases shall be made solely where there is a management-type cooperative involved which is certified by the Federal Housing Commissioner as a consumer cooperative."

MORTGAGE LIMITS UNDER SECTION 220 SALES HOUSING MORTGAGE INSURANCE PROGRAM

SEC. 110. Section 220(d)(3)(A)(i) of the National Housing Act is amended by striking out "\$25,000", "\$27,500", "\$30,000", "\$35,000", and "\$35,000" and inserting in lieu thereof "\$30,000", "\$32,500", "\$32,500", "\$37,500", and "\$37,500", respectively.

MORTGAGE LIMITS UNDER SECTION 220 MULTIFAMILY HOUSING MORTGAGE INSURANCE PROGRAM

SEC. 111. Section 220(d)(3)(B)(i) of the National Housing Act is amended by striking out "\$20,000,000" and inserting in lieu thereof "\$30,000,000".

LOANS TO COVER THE COST OF PUBLIC IMPROVEMENTS

SEC. 112. (a) The second sentence of section 220(h)(1) of the National Housing Act is amended to read as follows: "As used in this subsection—

"(A) the term 'home improvement loan' means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made—

"(i) for the purpose of financing the improvement of an existing structure (or in connection with an existing structure) which was constructed not less than ten years prior to the making of such loan, advance of credit, or purchase, and which is used or will be used primarily for residential purposes: Provided, That a home improvement loan shall include a loan, advance, or purchase with respect to the improvement of a structure which was constructed less than ten years prior to the making of such loan, advance, or purchase if the proceeds are or will be used primarily for major structural improvements, or to correct defects which were not known at the time of the completion of the structure or which were caused by fire, flood, windstorm, or other casualty; or

"(ii) for the purpose of enabling the borrower to pay that part of the cost of the construction or installation of sidewalks, curbs, gutters, street paving, street lights, sewers, or other public improvements, adjacent to or in the vicinity of property owned by him and used primarily for residential purposes, which is assessed against him or for which he is otherwise legally liable as the owner of such property;

"(B) the term 'improvement' means conservation, repair, restoration, rehabilitation, conversion, alteration, enlargement, or remodeling; and

"(C) the term 'financial institution' means a lender approved by the Commissioner as eligible for insurance under section 2 or a mortgage approved under section 203(b)(1)."

(b) Section 220(h)(2)(i) of such Act is amended by inserting before the semicolon at the end thereof the following: “, and be limited as required by paragraph (11)”.

(c) Section 220(h) of such Act is further amended by adding at the end thereof the following new paragraph:

“(11) Notwithstanding any other provision of this Act, no home improvement loan made in whole or in part for the purpose specified in clause (A)(ii) of the second sentence of paragraph (1) shall be insured under this subsection if such loan (or the portion thereof which is attributable to such purpose), when added to the aggregate principal balance of any outstanding loans insured under this subsection or section 203(k) which were made to the same borrower for the purpose so specified (or the portion of such aggregate balance which is attributable to such purpose), would exceed \$10,000.”

HOME IMPROVEMENT LOANS ON PROPERTY HELD UNDER LEASE

SEC. 113. Section 220(h)(2)(vi) of the National Housing Act is amended by striking out “a period of not less than 50 years to run from the date of the loan” and inserting in lieu thereof “an expiration date in excess of 10 years later than the maturity date of the loan”.

FHA SECTION 221 HOUSING FOR LOW- OR MODERATE-INCOME PERSONS

SEC. 114. (a) Section 221(d)(3) of the National Housing Act is amended by inserting after “or association” the following: “, or other mortgagor approved by the Commissioner, and”.

(b) Subsection (e) of section 221 of such Act is amended to read as follows:

“(e)(1) A mortgagor which may be approved by the Commissioner as provided in subsection (d)(3) includes a mortgagor which, as a condition of obtaining insurance of the mortgage and prior to the submission of its application for such insurance, has entered into an agreement (in form and substance satisfactory to the Commissioner) with a private nonprofit corporation eligible for an insured mortgage under the provisions of subsection (d)(3), that the mortgagor will sell the project when it is completed to the corporation at the actual cost of the project, as certified pursuant to section 227 of this Act. The mortgagor to whom the property is sold shall be regulated or supervised by the Commissioner as provided in subsection (d)(3) to effectuate its purposes.

“(2) The Commissioner may at any time, under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instrument secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage.”

(c) Section 221(d)(3) of such Act is amended by inserting before the colon at the end of the first proviso in clause (iii): “: Provided further, That in the case of any mortgagor other than a nonprofit corporation or association, cooperative (including an investor-sponsor), or public body, or a mortgagor meeting the special requirements of subsection (e)(1), the amount of the mortgage shall not exceed 90 per centum of the amount otherwise authorized under this section”.

(d) The last sentence of section 221(f) of such Act is amended by striking out “July 1, 1965”, each place it appears, and inserting in lieu thereof “September 30, 1965”.

MORTGAGE INSURANCE FOR SERVICEMEN

SEC. 115. Section 222(b) of the National Housing Act is amended—
 (1) *by striking out “203(b) or 203(i)” in paragraph (1) and inserting in lieu thereof “203(b), 203(i), or 221(d)(2),”; and*
 (2) *by striking out “such principal obligation shall not exceed \$9,000” in paragraph (2) and inserting in lieu thereof “or section 221(d)(2) such principal obligation shall not exceed the maximum limits prescribed for such section”.*

PRIVATE FINANCING OF SALE OF FHA-ACQUIRED PROPERTIES

SEC. 116. Section 223(c) of the National Housing Act is amended by striking out “limitation upon eligibility contained in this title II” and inserting in lieu thereof the following: “limitations or requirements contained in this title upon the eligibility of the mortgage, upon the payment of insurance premiums, or upon the terms and conditions of insurance settlement and the benefits of the insurance to be included in such settlement (except that in any case the payment of insurance shall be in debentures)”.

MORTGAGE INSURANCE FOR NONPROFIT NURSING HOMES

SEC. 117. Section 232(b)(1) of the National Housing Act is amended by inserting after “proprietary facility” the following: “or facility of a private nonprofit corporation or association”.

EXPERIMENTAL HOUSING

SEC. 118. (a) Section 233(a) of the National Housing Act is amended by striking out “, in the case of mortgages insured under subsection (b)(2) of this section, advances on such mortgages” and inserting in lieu thereof “home improvement loans, and including advances on mortgages”.

(b) Section 233(b) of such Act is amended to read as follows:

“(b) To be eligible for insurance under this section, a mortgage shall meet the requirements of one of the other sections of this title; except that, in lieu of determining the appraised value or the replacement cost of the property in cases involving new construction or the estimated cost of repair and rehabilitation or improvement in cases involving existing properties, the Commissioner shall estimate the cost of replacing the property using comparable conventional design, materials, and construction, and any limitation upon the maximum mortgage amount available to a nonoccupant owner shall not, in the discretion of the Commissioner, be applicable to mortgages insured under this section.”

(c) Section 233 of such Act is further amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

“(e) Any mortgagee or lender under a mortgage insured under subsection (b) shall be entitled to insurance benefits determined in the same manner as such benefits would be determined if such mortgage or loan were insured under the section of this title for which it otherwise would have been eligible except for the experimental feature of the property involved.”

(d) Section 233 of such Act is further amended by redesignating subsections (g) and (h) as subsections (f) and (g), respectively, and by striking out “subsections (e) and (f)” in the first sentence of the subsection

so redesignated as subsection (f) and inserting in lieu thereof "subsection (e)".

MORTGAGE INSURANCE FOR CONDOMINIUMS

SEC. 119. (a) Section 234 of the National Housing Act is amended—

(1) by striking out the heading and inserting in lieu thereof "MORTGAGE INSURANCE FOR CONDOMINIUMS";

(2) by striking out "structure" each place it appears and inserting in lieu thereof "project" (and by striking out "structures" in the last sentence of subsection (c) and inserting in lieu thereof "projects");

(3) by striking out "the term 'mortgage' for the purposes of this section" in subsection (b) and inserting in lieu thereof "the term 'mortgage' for the purposes of subsection (c)";

(4)(A) by striking out "this section" each time it appears in subsection (c) and inserting in lieu thereof "this subsection";

(B) by striking out "under another section" in the first sentence of subsection (c) and inserting in lieu thereof "under any section";

(5) by striking out "section 213" each time it appears in subsection (c) and inserting in lieu thereof "section 213(a) (1) and (2)";

(6) by striking out the third sentence of subsection (c) and inserting in lieu thereof the following: "To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed \$30,000, and not to exceed the sum of (i) 97 per centum of \$15,000 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of \$15,000 but not in excess of \$20,000, and (iii) 75 per centum of such value in excess of \$20,000, and (B) have a maturity satisfactory to the Commissioner, but not to exceed, in any event, thirty-five years from the date of the beginning of amortization of the mortgage or three-fourths of the Commissioner's estimate of the remaining economic life of the project, whichever is the lesser.";

(7) by redesignating subsection (d) as subsection (g), by redesignating subsections (e) and (f) as subsections (i) and (j), respectively, and by inserting after subsection (c) the following new subsections:

"(d) In addition to individual mortgages insured under subsection (c), the Commissioner is authorized, in his discretion and under such terms and conditions as he may prescribe, to insure blanket mortgages (including advances on such mortgages during construction) which cover multifamily projects to be constructed or rehabilitated in cases where the mortgage is held by a mortgagor, approved by the Commissioner, which—

"(1) has certified to the Commissioner, as a condition of obtaining the insurance of a blanket mortgage under this subsection, that upon completion of the multifamily project covered by such mortgage it intends to commit the ownership of the multifamily project to a plan of family unit ownership under which each family unit would be eligible for individual mortgage insurance under subsection (c) and will faithfully and diligently make and carry out all reasonable efforts to establish such plan of family unit ownership and to sell such family units to purchasers approved by the Commissioner; and

"(2) shall be regulated or restricted by the Commissioner as to rents, charges, capital structure, rate of return, and methods of

operation until the termination of all obligations of the Commissioner under the insurance and during such further period of time as the Commissioner shall be the owner, holder, or reinsurer of the mortgage. The Commissioner may make such contracts with and acquire for not to exceed \$100 such stock or interest in such mortgagor as he may deem necessary to render effective the regulation and restriction of such mortgage. The stock or interest acquired by the Commissioner shall be paid for out of the Apartment Unit Insurance Fund, and shall be redeemed by the mortgagor at par at any time upon the request of the Commissioner after the termination of all obligations of the Commissioner under the insurance.

“(e) To be eligible for insurance, a blanket mortgage on any multifamily project of a mortgagor of the character described in subsection (d) shall involve a principal obligation in an amount—

“(1) not to exceed \$20,000,000, or not to exceed \$25,000,000 if the mortgage is executed by a mortgagor regulated or supervised, under Federal or State law or by a political subdivision of a State or an agency thereof, as to rents, charges, and methods of operation;

“(2) not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the project when the proposed physical improvements are completed;

“(3) not to exceed, for such part of the project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require; and

“(4) not to exceed an amount equal to the sum of the unit mortgage amounts determined under the provisions of subsection (c) assuming the mortgagor to be the owner and occupant of each family unit.

“(f) Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such term as the Commissioner may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed $5\frac{1}{4}$ per centum per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the blanket mortgage upon such terms and conditions as he may prescribe and the blanket mortgage may provide for such release. The project covered by the blanket mortgage may include five or more family units and such commercial and community facilities as the Commissioner deems adequate to serve the occupants.”;

(8) by striking out “this section” each time it appears in the subsection redesignated as subsection (g) by paragraph (7) of this

subsection and inserting in lieu thereof "subsection (c) of this section";

(9) by inserting after the subsection redesignated as subsection

(g) by paragraph (7) of this subsection the following new subsection:

"(h) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall be applicable to mortgages insured under subsection (d) of this section, except that all references to the Housing Insurance Fund, or Housing Fund, shall be construed to refer to the Apartment Unit Insurance Fund."; and

(10) by amending the subsection redesignated as subsection (j) by paragraph (7) of this subsection to read as follows:

"(j) The provisions of sections 225 and 230 shall be applicable to the mortgages insured under subsection (c) of this section."

(b) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: "The provisions of this section shall also apply to the insurance of any mortgage under section 234(d)."

(c) Section 227(a) of such Act is amended by striking out "or (vii)" and inserting in lieu thereof "(vii)", and by inserting before the semicolon at the end thereof ", or (viii) under section 234(d)".

"PREPAYMENT OF MORTGAGES BY NONPROFIT EDUCATIONAL INSTITUTIONS

SEC. 120. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"PREPAYMENT OF MORTGAGES BY NONPROFIT EDUCATIONAL INSTITUTIONS

"SEC. 517. (a) Notwithstanding any other provision of this Act, no adjusted premium charge shall be collected in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor certifies to the Commissioner that the loan was paid in full by or on behalf of a nonprofit educational institution which intends to use the property for educational purposes.

"(b) The Commissioner shall refund any adjusted premium charge collected subsequent to July 1, 1962, and prior to the date of the enactment of the Housing Act of 1964, in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor under such mortgage makes the certification prescribed by subsection (a)."

CORRECTION OF SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

SEC. 121. Title V of the National Housing Act is amended by adding after section 517 (added by section 120 of this Act) the following new section:

"EXPENDITURES TO CORRECT OR COMPENSATE FOR SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

"SEC. 518. (a) The Commissioner is authorized, with respect to any property improved by a one- to four-family dwelling approved for mortgage insurance prior to the beginning of construction which he finds to have structural defects, to make expenditures for (1) correcting such defects, (2) paying the claims of the owner of the property arising from

such defects, or (3) acquiring title to the property: Provided, That such authority of the Commissioner shall exist only (A) if the owner has requested assistance from the Commissioner not later than four years (or such shorter time as the Commissioner may prescribe) after insurance of the mortgage, and (B) if the property is encumbered by a mortgage which is insured under this Act after the date of enactment of the Housing Act of 1964.

“(b) The Commissioner shall by regulations prescribe the terms and conditions under which expenditures and payments may be made under the provisions of this section, and his decisions regarding such expenditures or payments, and the terms and conditions under which the same are approved or disapproved, shall be final and conclusive and shall not be subject to judicial review.”

TITLE II—HOUSING FOR THE ELDERLY AND HANDICAPPED

HOUSING FOR THE ELDERLY—LOAN PROGRAM

SEC. 201. Section 202(a)(4) of the Housing Act of 1959 is amended by striking out “\$275,000,000” and inserting in lieu thereof “\$350,000,000”.

FHA SECTION 221 HOUSING FOR LOW- OR MODERATE-INCOME ELDERLY PERSONS

SEC. 202. Section 221(f) of the National Housing Act is amended by adding at the end thereof the following new sentence: “Any person sixty-two years of age or over shall be deemed to be a family within the meaning of the terms ‘family’ and ‘families’ as those terms are used in this section.”

HOUSING FOR THE HANDICAPPED

SEC. 203. (a)(1) The heading of title II of the Housing Act of 1959 is amended by striking out “HOUSING FOR THE ELDERLY” and inserting in lieu thereof “HOUSING FOR THE ELDERLY OR HANDICAPPED”.

(2) Section 202 of such Act is amended—

(A) by striking out “elderly families and elderly persons” wherever it appears in subsections (a)(1), (a)(2), and (e) and inserting in lieu thereof in each instance “elderly or handicapped families”;

(B) by amending subsection (d)(1) to read as follows:

“(1) The term ‘housing’ means structures suitable for dwelling use by elderly or handicapped families which are (A) new structures, or (B) provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families.”;

(C) by striking out the first sentence of subsection (d)(4) and inserting in lieu thereof the following: “The term ‘elderly or handicapped families’ means families which consist of two or more persons and the head of which (or his spouse) is sixty-two years of age or over or is handicapped, and such term also means a single person who is sixty-two years of age or over or is handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Administrator, to have a physical impair-

ment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions.”;

(D) by inserting before the period at the end of subsection (d)(7) the following: “or rehabilitation, alteration, conversion, or improvement of existing structures”; and

(E) by amending subsection (d)(8) to read as follows:

“(8) The term ‘related facilities’ means (A) new structures suitable for use by elderly or handicapped families as cafeterias or dining halls, community rooms or buildings, workshops, or infirmaries or other inpatient or outpatient health facilities, or other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.”

(b) The last sentence of section 221(f) of the National Housing Act (as added by section 202 of this Act) is amended by striking out “person sixty-two years of age or over” and inserting in lieu thereof “person who is sixty-two years of age or over, or who is a handicapped person within the meaning of section 202 of the Housing Act of 1959,”.

(c) Section 231 of such Act is amended by adding at the end thereof the following new subsection:

“(f) Notwithstanding any of the provisions of this section, the housing provided under this section may include family units which are specially designed for the use and occupancy of any person or family qualifying as a handicapped family as defined in section 202 of the Housing Act of 1959, and such special facilities as the Commissioner deems adequate to serve handicapped families (as so defined). The Commissioner may also prescribe procedures to secure to such families preference or priority of opportunity to rent the living units specially designed for their use and occupancy.”

(d) The second sentence of section 2(2) of the United States Housing Act of 1937 (as amended by section 401(a) of this Act) is amended by inserting after “and includes” the following: “a single person who is handicapped within the meaning of section 202 of the Housing Act of 1959 or who is”.

(e) Section 207 of the Housing Act of 1961 (as amended by section 407 of this Act) is further amended by inserting before the period at the end of the first sentence the following: “and of demonstrating the types of housing and the means of providing housing that will assist low income persons or families who qualify as handicapped families as defined in section 202 of the Housing Act of 1959”.

TITLE III—URBAN RENEWAL

CODE ENFORCEMENT

SEC. 301. (a) Section 101(c) of the Housing Act of 1949 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: “: Provided further, That commencing three years after the date of enactment of the Housing Act of 1964, no workable program shall be certified or re-certified unless (A) the locality has had in effect, for at least six months prior to such certification or re-certification, a minimum

standards housing code, related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate by the Administrator, and (B) the Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with such housing code."

(b) The first sentence of section 110(c) of such Act is amended by inserting after "or rehabilitation or conservation in an urban renewal area," the following: "or a program of code enforcement in an urban renewal area,".

(c) Paragraph (5) of the second sentence of section 110(c) of such Act is amended by (1) striking out "a program of" and inserting in lieu thereof "programs of code enforcement or", and (2) adding before the semicolon at the end of such paragraph the following: ": Provided, That no program of code enforcement shall be included as part of an urban renewal project unless the locality shall agree to increase its total expenditures with respect to code enforcement, during the period such project is under contract for a loan or capital grant, by an amount equal to the required local grants-in-aid with respect to the code enforcement included as part of such project".

(d) Any contract for a capital grant under title I of the Housing Act of 1949, executed prior to the date of enactment of this Act, may be amended to incorporate the provisions of subsection (c) for costs incurred on or after such date.

SELF-HELP PROGRAMS FOR COMMUNITY IMPROVEMENT

SEC. 302. Section 101(d) of the Housing Act of 1949 is amended by inserting immediately after "local urban renewal programs" the following: "(including rehabilitation projects requiring no additional assistance under this title or self-liquidating redevelopment projects)".

LOAN CONTRACT FOR TWO OR MORE PROJECTS

SEC. 303. (a) Section 102(a) of the Housing Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding any other provision of this title, the Administrator may make a temporary loan, as described in the first two sentences of this subsection, for two or more urban renewal projects being carried out by the same local public agency. The principal amount of any such loan which is outstanding at any one time shall not exceed the estimated expenditures to be made by the local public agency for such projects."

(b) Section 110(g) of such Act is amended by striking out in the first sentence thereof the words "for any project".

CAPITAL GRANT AUTHORIZATION

SEC. 304. Section 103(b) of the Housing Act of 1949 is amended by striking out "not to exceed \$4,000,000,000" and inserting in lieu thereof "not to exceed \$4,725,000,000".

RELOCATION OF DISPLACED FROM URBAN RENEWAL AREAS

SEC. 305. (a)(1) Section 105(c) of the Housing Act of 1949 is amended by striking out "families" wherever it appears and inserting in lieu thereof "individuals and families".

(2) The requirement imposed by the amendments made by paragraph (1) shall not be applicable to any project receiving Federal recognition prior to the date of the enactment of this Act.

(b) Section 105(c) of such Act is further amended by inserting before the period at the end thereof the following: “: Provided, That the Administrator shall issue rules and regulations to aid in implementing the requirements of this subsection and in otherwise achieving the objectives of this title which shall require that there be established, at the earliest practicable time, for each urban renewal project involving the displacement of families, individuals, or business concerns occupying property in an urban renewal area, a relocation assistance program which shall include such measures, facilities, and services as may be necessary or appropriate in order (1) to determine the needs of such families, individuals, and business concerns for relocation assistance, (2) to provide information and assistance to aid in relocation and otherwise minimize the hardships of displacement, and (3) to assure the necessary coordination of relocation activities with other project activities and other planned or proposed governmental actions in the community which may affect the carrying out of the relocation program”.

(c) Section 8(b) of the Small Business Act is amended—

(1) by striking out “and” at the end of paragraph (12);

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof “; and”; and

(3) by adding after paragraph (13) the following new paragraph:

“(14) to provide at the earliest practicable time such information and assistance as may be appropriate, including information concerning eligibility for loans under section 7(b)(3), to local public agencies (as defined in section 110(h) of the Housing Act of 1949) and to small-business concerns to be displaced by federally aided urban renewal projects in order to assist such small-business concerns in reestablishing their operations.”

DISPOSAL OF LAND FOR LOW- AND MODERATE-INCOME HOUSING

SEC. 306. Subsections (a) and (b) of section 107 of the Housing Act of 1949 are amended to read as follows:

“(a) Upon approval of the Administrator and subject to such conditions as he may determine to be in the public interest, any real property held as part of an urban renewal project may be made available to (1) a limited dividend corporation, nonprofit corporation or association, cooperative, or public body or agency, or (2) a purchaser who would be eligible for a mortgage insured under section 221 (d)(3) or (d)(4) of the National Housing Act, for purchase at fair value for use by such purchaser in the provision of new or rehabilitated rental or cooperative housing for occupancy by families or individuals of moderate income.

“(b) When it appears in the public interest that real property acquired as part of an urban renewal project should be used in whole or in part for a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act, the property shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to its fair value, as determined in accordance with subsection (a), and such amount shall be included as part of the development cost of such low-rent housing project: Provided, That the local contribution in the form of tax exemption or tax

remission required by section 10(h) of such Act, or by analogous provisions in legislation authorizing such State or local program, with respect to the low-rent housing project into which such property was incorporated on or after September 23, 1959, shall (if covered by a contract which, in the determination of the Public Housing Commissioner, will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act, or by provisions found by the Administrator to give equivalent assurance in the case of State or local programs) be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such property (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act."

REHABILITATION OF PROPERTY IN URBAN RENEWAL AREAS

SEC. 307. Section 110(c) of the Housing Act of 1949 is amended by adding immediately after and below paragraph (7) the following new paragraph:

"Notwithstanding any other provision of this title, no contract shall be entered into for any loan or capital grant under this title for any project which provides for demolition and removal of buildings and improvements unless the Administrator determines that the objectives of the urban renewal plan could not be achieved through rehabilitation of the project area."

PROJECTS INVOLVING THE ACQUISITION AND DEVELOPMENT OF AIR RIGHTS SITES

SEC. 308. (a) Section 110(c)(1) of the Housing Act of 1949 is amended by—

(1) inserting a new clause (iv) before the proviso to read as follows: " , or (iv) air rights in an area consisting principally of land in highways, railway or subway tracks, bridge or tunnel entrances, or other similar facilities which have a blighting influence on the surrounding area and over which air rights sites are to be developed for the elimination of such blighting influences and for the provision of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income";

(2) striking out in the proviso "an open land project" and inserting in lieu thereof "projects under clauses (iii) and (iv) hereof"; and

(3) adding before the semicolon at the end thereof the following: " : Provided further, That the aggregate amount of capital grants for projects under clause (iv) shall not exceed 5 per centum of the aggregate amount of grants authorized by this title to be contracted for after the date of enactment of the Housing Act of 1964".

(b) Section 110(c) of such Act is further amended by—

(1) striking out "and" at the end of paragraph (6), and redesignating paragraph (7) as paragraph (8);

(2) inserting after paragraph (6) a new paragraph as follows:

“(7) construction of foundations and platforms necessary for the provision on air rights sites of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income and”; and

(3) striking out “paragraph (7)” in the third sentence (as numbered prior to the amendments made by this Act) and inserting in lieu thereof “paragraphs (7) and (8)”.

(c) Section 110(d) of such Act is amended by striking out “project”) and inserting in lieu thereof “project, or of air rights over streets, alleys, and other public rights-of-way)”.

(d) Section 110(e) of such Act is amended by striking out “and (7)” in clause (i) and inserting in lieu thereof “(7), and (8)”.

AMENDMENT OF DEFINITION OF “GOING FEDERAL RATE”

SEC. 309. Section 110(g) of the Housing Act of 1949 is amended by striking out the last sentence and inserting in lieu thereof the following: “Any contract for a loan or advance, authorized by the Administrator after the date of enactment of the Housing Act of 1964, shall provide for a single interest rate which shall be applicable also to future amendments of the contract which provide additional funds thereunder, and shall further provide for a periodic revision of the interest rate on the balance outstanding or to be outstanding on such loan or advance based on the going Federal rate on the date of such revision: Provided, That any contract for a loan or advance authorized prior to the date of enactment of the Housing Act of 1964 shall be amended (with the first amendment to such contract authorized after the date of enactment of such Act) to provide for such a single interest rate (based on the going Federal rate at the time such amendment is authorized) and for periodic revision thereof.”

RELOCATION PAYMENTS TO DISPLACED PERSONS AND BUSINESSES

SEC. 310. (a) Title I of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

“RELOCATION

“SEC. 114. (a) Notwithstanding any other provision of this title, an urban renewal project may include the making of payments as prescribed in this section to displaced individuals, families, business concerns, and nonprofit organizations; and any contract for financial assistance under this title shall provide that the capital grant otherwise payable for the project shall be increased by an amount equal to such payments and that no part of the amount of such payments shall be required to be contributed as part of the local grant-in-aid. As used in this section, ‘displaced’ refers to displacement from an urban renewal area made necessary by (1) the acquisition of real property by a local public agency or by any other public body, (2) code enforcement activities undertaken in connection with an urban renewal project, or (3) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan.

“(b) A local public agency may pay to any displaced business concern or nonprofit organization—

“(1) its reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred

on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): Provided, That such payment shall not exceed \$3,000 (or, if greater, the total certified actual moving expenses); and

“(2) an additional \$1,500 in the case of a private business concern with average annual net earnings of less than \$10,000 per year which (A) was doing business in a location in the urban renewal area on the date of local approval of the urban renewal plan (or of acquisition of real property under the third sentence of section 102(a)), (B) is displaced on or after January 27, 1964, and (C) is not part of an enterprise having establishments outside the urban renewal area.

Notwithstanding the provisions of clause (1) of the preceding sentence, a business concern which is not being displaced from an urban renewal area shall be eligible for payments under such clause (1) of its certified actual moving expenses with respect to its outdoor advertising displays being removed from the urban renewal area in the same manner as though such business concern were being displaced.

“(c)(1) A local public agency may pay to any displaced individual or family his or its reasonable and necessary moving expenses and any actual direct losses of property (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): Provided, That such payment shall not exceed \$200: And provided further, That the Administrator may authorize payment to individuals and families of fixed amounts (not to exceed \$200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

“(2) A local public agency may pay (in addition to any amount under paragraph (1)), on behalf of any displaced family or any displaced individual sixty-two years of age or over, during the first five months after displacement, a relocation adjustment payment, not to exceed \$500, to assist such displaced individual or family to acquire a decent, safe, and sanitary dwelling. The relocation adjustment payment shall be an amount which, when added to 20 per centum of the annual income of the displaced individual or family at the time of displacement, equals the average rental required, for a 12-month period, for such a decent, safe, and sanitary dwelling of modest standards adequate in size to accommodate the displaced individual or family (in the urban renewal area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities): Provided, That such payment shall be made only to an individual or family who is unable to secure a dwelling unit in a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act: Provided further, That payments under this paragraph shall be available only in the case of families, and individuals sixty-two years of age or over, displaced on or after January 27, 1964.

“(d) The Administrator is authorized to establish such rules and regulations as he may deem appropriate in carrying out the provisions of this section and may provide in any contract with a local public agency, or in regulations promulgated by the Administrator, that determinations of any duly designated officer or agency as to eligibility for and the amount of relocation assistance authorized by this section shall be final and conclusive for any purposes and not subject to redetermination by any court or any other officer. Such regulations shall include provisions to assure that

relocation payments, as authorized by this section, shall be made as promptly as possible to all families, individuals, business concerns, and nonprofit organizations found to be eligible for such payments by reason of their having been displaced from property in the urban renewal area, without regard to any subsequent proceedings, determinations, or events relating to such property which do not bear upon whether such displacement in fact occurred."

(b) Any contract with a local public agency which was executed under title I of the Housing Act of 1949 before the date of the enactment of this Act may be amended to provide for payments authorized by section 114 of the Housing Act of 1949.

(c) Section 106 of the Housing Act of 1949 is amended by striking out subsection (f).

ACQUISITION OF PROPERTY AFFECTED BY COAL MINE SUBSIDENCE OR UNDERGROUND MINE FIRES

SEC. 311. (a) Section 110(e) of the Housing Act of 1949 is amended by adding at the end thereof the following new paragraph:

"Where a project includes the acquisition of property which has been damaged because of the collapse or subsidence of underlying coal mines, or underground mine fires, and the property is to be acquired from an individual, family, business concern, or nonprofit organization which was the owner of such property at the time the damage first occurred, the amount otherwise allowable as the acquisition price of such property may be increased by an amount equal to so much of any diminution in the value of such property as is determined to be reasonably attributable to such damage and to represent an otherwise uncompensated and (but for such acquisition) uncompensable loss actually sustained by such owner."

(b) Any contract under title I of the Housing Act of 1949 executed prior to the date of enactment of the Housing Act of 1964 may be amended to provide for payment of the increased amounts authorized under the amendment made by subsection (a) with respect to any uncompleted project if the project includes acquisitions which, under any State or local law in effect on such date, would involve expenditures by a local public agency that could not otherwise be included in the costs of such project.

REHABILITATION LOANS

SEC. 312. (a) To assist rehabilitation in an urban renewal area and thereby reduce the need for demolition and removal of structures, the Housing and Home Finance Administrator is hereby authorized, through the utilization of local public and private agencies where feasible, to make loans as herein provided to the owners or tenants of property in such area to finance rehabilitation required to make the property conform to applicable code requirements or to carry out the objectives of the urban renewal plan for the area. No loan shall be made under this section unless the Administrator finds (1) that the applicant is unable to secure the necessary funds from other sources upon reasonable terms and conditions, and (2) the loan is an acceptable risk taking into consideration the need for the rehabilitation, the security available for the loan, and the ability of the applicant to repay the loan.

(b) For the purposes of this section—

(1) the term "rehabilitation" means the improvement or repair of a structure or facilities in connection with a structure, and may

include the provision of such sanitary or other facilities'as are required by applicable codes or the urban renewal plan to be provided by the owner or tenant of the property;

(2) the term "urban renewal area" means a slum area or a blighted, deteriorated, or deteriorating area as defined in section 110(a) of the Housing Act of 1949;

(3) the term "tenant" means a person or organization who is occupying a structure under a lease having a period to run at the time a rehabilitation loan is made under this section of not less than the term of the loan; and

(4) the term "Administrator" means the Housing and Home Finance Administrator.

(c) A rehabilitation loan made under this section shall be subject to the following limitations:

(1) The loan shall be subject to such terms and conditions as may be prescribed by the Administrator.

(2) The term of the loan may not exceed twenty years or three-fourths of the remaining economic life of the structure after rehabilitation, whichever is less.

(3) The loan shall bear interest at such rate as the Administrator determines to be appropriate but not to exceed 3 per centum per annum of the amount of the principal outstanding at any time, and the Administrator may prescribe such other charges as he finds necessary, including service charges and appraisal, inspection, and other fees.

(4) The amount of the loan may not exceed—

(A) in the case of residential property, the amount of a loan which could be insured by the Federal Housing Commissioner under section 220(h) of the National Housing Act: Provided, That, within the limitations otherwise applicable on the amount of a loan under such section, the loan may exceed the cost of rehabilitation in order to include an amount approved by the Administrator to refinance existing indebtedness secured by such property if such refinancing is necessary to enable the applicant to amortize, with a monthly payment of not more than 20 per centum of his average monthly income, such loan and any other indebtedness secured by his property; and

(B) in the case of nonresidential property, whichever of the following is the least: \$50,000, or the cost of rehabilitation, or an amount which when added to any outstanding indebtedness related to the property securing the loan creates a total outstanding indebtedness that the Administrator determines could be reasonably secured by a first mortgage on the property.

(5) A loan shall be secured as determined by the Administrator.

(d) There is authorized to be appropriated not to exceed \$50,000,000 which shall constitute a revolving fund to be used by the Administrator in carrying out this section.

(e) In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Administrator shall have (in addition to any authority otherwise vested in him) the functions, powers, and duties set forth in section 402 of the Housing Act of 1950 (except subsection (c)(2)).

(f) The Administrator is authorized to delegate to or use as his agent any Federal or local public or private agency or organization to the extent he determines appropriate and desirable to carry out the objectives of this section in the area involved.

(g) *The Administrator is authorized to issue such rules and regulations and impose such requirements and conditions (in addition to those specified in this section) as he determines to be desirable to carry out the objectives of this section, including limitations on the amount of a loan and restrictions on the use of the property involved.*

URBAN RENEWAL DEMONSTRATION PROGRAM

SEC. 313. *Section 314 of the Housing Act of 1954 is amended—*

(1) *by inserting “(a)” after “314.” at the beginning of the section;*

(2) *by inserting before the period at the end of the second sentence the following: “, but such a grant may in addition cover the full cost of writing and publishing the reports on such activities and undertakings”;*

(3) *by inserting “activities and” before “undertakings” in the third sentence;*

(4) *by striking out the fourth and fifth sentences; and*

(5) *by adding at the end thereof the following new subsections:*

“(b) *The Administrator is further authorized to pay for the cost of (1) writing and publishing reports on activities and undertakings financed by grants made under this section, as well as reports on similar activities and undertakings, not so financed, which are of significant value in furthering the purposes of this section, and (2) writing and publishing summaries and other informational material on such reports.*

“(c) *The aggregate amount of grants made under subsection (a), and other costs incurred pursuant to subsection (b), shall not exceed \$10,000,000 and shall be payable from the grant funds provided under and authorized by section 103 (b) of the Housing Act of 1949. The Administrator may make advance or progress payments on account of any contract entered into pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended.*”

URBAN AND REGIONAL PLANNING GRANTS

SEC. 314. (a) *Section 701(a) of the Housing Act of 1954 is amended by striking out “resulting from rapid urbanization” in clause (B) of paragraph (1).*

(b) *Section 701(a) of such Act is further amended by—*

(1) *striking out “and” at the end of paragraph (4);*

(2) *striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and*

(3) *adding two new paragraphs after paragraph (5) as follows:*

“(6) *metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1) of this subsection;*

“(7) *to official governmental planning agencies for any area where there has occurred a substantial reduction in employment opportunities as the result of (A) the closing (in whole or in part) of a Federal installation, or (B) a decline in the volume of Govern-*

ment orders for the procurement of articles or materials produced or manufactured in such area; and”.

(c) Section 701(a) of such Act is further amended by striking out “(a)” after “section 5” in paragraph (3).

(d) Section 701(b) of such Act is amended by striking out the proviso in the first sentence and inserting in lieu thereof “: Provided, That such a grant may be in an amount not exceeding three-fourths of such estimated cost to an official governmental planning agency for an area described in subsection (a)(7), or for planning being carried out for a city, other municipality, county, group of adjacent communities, or Indian reservation in an area designated by the Secretary of Commerce as a redevelopment area under section 5 of the Area Redevelopment Act”.

PLANNING GRANTS FOR INDIAN RESERVATIONS

SEC. 315. (a) Section 701(a) of the Housing Act of 1954 is amended by—

(1) striking out “and” at the end of clause (B) of paragraph (1);
 (2) inserting “, and (D) Indian reservations” before the semicolon at the end of paragraph (1); and

(3) inserting a new paragraph after paragraph (7) (added by section 314(b)) as follows:

“(8) tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning for an Indian reservation to which no State planning agency or other agency or instrumentality is empowered to provide planning assistance under clause (D) of paragraph (1) above.”

(b) Section 701(d) of such Act is amended by—

(1) striking out “and urban regions” in the first sentence and inserting in lieu thereof “urban regions, and Indian reservations”; and

(2) inserting after “instrumentalities” in the second sentence the following: “, and to Indian tribal bodies,”.

ELIGIBILITY OF COUNTIES FOR PLANNING ASSISTANCE

SEC. 316. Section 701(a) of the Housing Act of 1954 is amended by striking out clause (A) of paragraph (1) and inserting in lieu thereof the following: “(A) cities and other municipalities having a population of less than 50,000 according to the latest decennial census, and counties without regard to population: Provided, That grants shall be made under this paragraph for planning assistance to counties having a population of 50,000 or more, according to the latest decennial census, which are within metropolitan areas, only if (i) the Administrator finds that planning and plans for such county will be coordinated with the program of comprehensive planning, if any, which is being carried out for the metropolitan area of which the county is a part, and (ii) the aggregate amount of the grants made subject to this proviso does not exceed 15 per centum of the aggregate amount appropriated, after the date of enactment of the Housing Act of 1964, for the purposes of this section,”.

PLANNING GRANT AUTHORIZATION

SEC. 317. Section 701(b) of the Housing Act of 1954 is amended by striking out “\$75,000,000” in the last sentence and inserting in lieu thereof “\$105,000,000”.

PLANNING PROBLEMS RESULTING FROM CHAMIZAL TREATY
OF 1963

SEC. 318. Notwithstanding the provisions of section 701 of the Housing Act of 1954 with respect to the eligibility of a city for a grant thereunder, the Housing and Home Finance Administrator is authorized to make planning grants to the city of El Paso, Texas, for the purpose of assisting it to solve those urban planning problems that have resulted or are expected to result from the Chamizal Treaty of 1963 between the United States of America and the Republic of Mexico. Any such grants shall be subject to all other conditions and requirements contained in such section 701.

SMALL BUSINESS ADMINISTRATION LOANS

SEC. 319. Section 7(b)(3) of the Small Business Act is amended by inserting before the period at the end thereof the following: “; and the purposes of a loan made pursuant to this paragraph may, in the discretion of the Administrator, include the purchase or construction of other premises whether or not the borrower owned the premises from which it was displaced”.

TITLE IV—HOUSING FOR LOW-INCOME FAMILIES

ELIGIBILITY OF DISPLACED INDIVIDUALS

SEC. 401. (a) Section 2(2) of the United States Housing Act of 1937 is amended to read as follows:

“(2) The term ‘families of low income’ means families (including elderly and displaced families) who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term ‘families’ includes families consisting of a single person in the case of elderly families and displaced families, and includes the remaining member of a tenant family. The term ‘elderly families’ means families whose heads (or their spouses), or whose sole members, have attained the age at which an individual may elect to receive an old age benefit under title II of the Social Security Act, or who are under a disability as defined in section 223 of that Act. The term ‘displaced families’ means families displaced by urban renewal or other governmental action.”

(b) Section 10(g)(2) of such Act is amended by—

(1) striking out “those displaced by urban renewal or other governmental action” and inserting in lieu thereof “displaced families”; and

(2) striking out “; and” at the end thereof and inserting in lieu thereof the following: “: Provided, That in establishing such admission policies the public housing agency shall accord to families of low income such priority over single persons as it determines to be necessary to avoid undue hardship; and”.

(c) Section 15(7)(b) of such Act is amended by striking out “family displaced by urban renewal or other governmental action” and inserting in lieu thereof “displaced family”.

ADDITIONAL SUBSIDY FOR URBAN RENEWAL AND
LOW-RENT HOUSING DISPLACEDS

SEC. 402. The first proviso in section 10(a) of the United States Housing Act of 1937 is amended to read as follows: "Provided, That the Authority may, in addition to the payments guaranteed under the contract, pay not to exceed \$120 per annum per dwelling unit occupied by an elderly family, or a displaced family if such family was displaced by an urban renewal or low-rent housing project on or after January 27, 1964, on the last day of the project fiscal year where such amount, in the determination of the Authority, was necessary to enable the public housing agency to lease the dwelling unit to an elderly or displaced family at a rental it could afford and to operate the project on a solvent basis, and, in the case of displaced families, if and to the extent that the average or estimated average rental for units so occupied by such families was less than the rental which the Authority determines, on the basis of the average or estimated average project rentals, would have been established in leasing the units to families which were neither elderly nor similarly displaced".

INCREASE IN AUTHORIZATION FOR ANNUAL CONTRIBUTIONS

SEC. 403. Section 10(e) of the United States Housing Act of 1937 is amended by striking out "\$336,000,000" and inserting in lieu thereof "\$366,250,000".

PAYMENTS IN LIEU OF TAXES BY LOCAL HOUSING AUTHORITIES; LOCAL
CONTRIBUTIONS

SEC. 404. Section 10(h) of the United States Housing Act of 1937 is amended by striking out all that follows the first colon and inserting in lieu thereof the following: "Provided, That, with respect to any such project which is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, such contract shall provide, in lieu of the requirement for tax exemption and payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivisions in which such project is situated shall contribute, in the form of cash or tax remission, the amount by which the taxes paid with respect to the project exceed 10 per centum of the annual shelter rents charged in such project: Provided further, That, prior to execution of the contract for annual contributions the public housing agency shall, in the case of a tax-exempt project, notify the governing body of the locality of its estimate of the annual amount of such payments in lieu of taxes and of the amount of taxes which would be levied if the property were privately owned, or, in the case where the project is taxed, its estimate of the annual amount of the local cash contribution, and shall thereafter include the actual amounts of such payments or contributions in its annual report. Contracts for annual contributions entered into prior to the effective date of the Housing Act of 1964 may be amended in accordance with the first sentence of this subsection."

RELOCATION OF FAMILIES AND INDIVIDUALS DISPLACED FROM PROJECT SITES

SEC. 405. (a) Section 15(7)(b) of the United States Housing Act of 1937 is amended by striking out "and" before "(ii)", and by inserting before the period at the end thereof the following: "; and (iii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a feasible method for the temporary relocation of the individuals and families displaced from the project site, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of such individuals and families, decent, safe, and sanitary dwellings equal in number to the number of and available to such individuals and families and reasonably accessible to their places of employment".

(b) The amendments made by subsection (a) shall not be applicable to any project for which an application for preliminary loan has been approved by the local governing body prior to the date of the enactment of this Act.

RELOCATION PAYMENTS

SEC. 406. Section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(8) The Authority may authorize the cost of relocation payments made by public housing agencies to be included with the development or acquisition cost of any project for purposes of determining the amount of loans and annual contributions authorized to be made with respect to such project under sections 9 and 10, but such costs shall be separately stated as relocation costs. For purposes of this paragraph, a 'relocation payment' is a payment (i) which is made to an individual, family, business concern, or nonprofit organization displaced on or after January 27, 1964, from a low-rent housing project site as a result of the acquisition of real property by a public housing agency, (ii) which is not otherwise authorized under any Federal law, and (iii) which is made only on such terms and conditions, and subject to such limitations, as are authorized (as of the time such payment is approved) under section 114 (b) or (c) of the Housing Act of 1949 for relocation payments made to individuals, families, business concerns, or nonprofit organizations, as the case may be."

LOW-INCOME HOUSING DEMONSTRATION PROGRAM AUTHORIZATION

SEC. 407. Section 207 of the Housing Act of 1961 is amended by striking out "\$5,000,000" and inserting in lieu thereof "\$10,000,000".

TITLE V—RURAL—HOUSING

EXTENSION OF RURAL HOUSING PROGRAMS

SEC. 501. (a) The second sentence of section 511 of the Housing Act of 1949 is amended by—

(1) striking out "June 30, 1965" and inserting in lieu thereof "September 30, 1965"; and

(2) striking out "\$700,000,000" and inserting in lieu thereof "\$850,000,000".

(b) Section 512 of such Act is amended by striking out "June 30, 1965" and inserting in lieu thereof "September 30, 1965".

(c) Section 513 of such Act is amended by striking out "June 30, 1965", each place it appears, and inserting in lieu thereof "September 30, 1965".

(d) Section 515(b) of such Act is amended by—

(1) striking out "\$100,000" in clause (1) and inserting in lieu thereof "\$300,000"; and

(2) striking out "1964" in clause (5) and inserting in lieu thereof "1965".

DEFINITION OF DOMESTIC FARM LABOR

SEC. 502. Section 514(f)(3) of the Housing Act of 1949 is amended to read as follows:

"(3) the term 'domestic farm labor' means persons who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States and either (A) are citizens of the United States or (B) reside in the United States after being legally admitted for permanent residence therein."

LOW-RENT HOUSING FOR DOMESTIC FARM LABOR

SEC. 503. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"FINANCIAL ASSISTANCE TO PROVIDE LOW-RENT HOUSING FOR DOMESTIC FARM LABOR

"SEC. 516. (a) Upon the application of any State or political subdivision thereof, or any public or private nonprofit organization, the Secretary is authorized to provide financial assistance for the provision of low-rent housing and related facilities for domestic farm labor, if he finds that—

"(1) the housing and related facilities for which financial assistance is requested will fulfill a pressing need in the area in which such housing and facilities will be located, and there is reasonable doubt that the same can be provided without financial assistance under this section;

"(2) the applicant will contribute, from its own resources or from funds borrowed under section 514 or elsewhere, at least one-third of the total development cost;

"(3) the types of housing and related facilities to be provided are most practical, giving due consideration to the purposes to be served thereby and the needs of the occupants thereof; and

"(4) the construction will be undertaken in an economical manner, and the housing and related facilities will not be of elaborate or extravagant design or material.

"(b) The amount of any financial assistance provided under this section for low-rent housing and related facilities shall not exceed two-thirds of the total development cost thereof, as determined by the Secretary, less such amount as the Secretary determines can be practicably obtained from other sources (including a loan under section 514).

"(c) No financial assistance for low-rent housing and related facilities shall be made available under this section unless, to any extent and for any periods required by the Secretary, the applicant agrees—

"(1) that the rentals charged domestic farm labor shall not exceed such amounts as may be approved by the Secretary, giving due consideration to the income and earning capacity of the tenants, and the necessary costs of operating and maintaining such housing;

"(2) that such housing shall be maintained at all times in a safe and sanitary condition in accordance with such standards as may be prescribed by State or local law, or, in the absence of such standards, in accordance with such minimum requirements as the Secretary shall prescribe; and

"(3) an absolute priority will be given at all times in granting occupancy of such housing and facilities to domestic farm labor.

"(d) The Secretary may make payments pursuant to any contract for financial assistance under this section at such times and in such manner as may be specified in the contract. In each contract, the Secretary shall include such covenants, conditions, or provisions as he deems necessary to insure that the housing and related facilities, for which financial assistance is made available, be used only in conformity with the provisions of this section.

"(e) The Secretary shall prescribe regulations to insure that Federal funds expended under this section are not wasted or dissipated.

"(f) All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary which are undertaken by approved applicants under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary shall not extend any financial assistance under this section for any project without first obtaining adequate assurance that these labor standards will be maintained on the construction work; except that compliance with such standards may be waived by the Secretary in cases or classes of cases where laborers or mechanics, not otherwise employed at any time on the project, voluntarily donate their services without compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts thereby saved are fully credited to the person, corporation, association, organization, or other entity undertaking the project. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"(g) As used in this section—

"(1) the term 'low-rent housing' means rental housing within the financial reach of families of low income consisting of (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement;

"(2) the terms 'related facilities' and 'domestic farm labor' shall have the meaning assigned to them in section 514(f); and

"(3) the term 'development cost' shall have the meaning assigned to it in section 515(d)(4)."

(b) Section 513 of such Act is amended by redesignating clauses "(c)" and "(d)" as clauses "(d)" and "(e)", respectively, and by inserting after the semicolon at the end of clause (b) the following: "(e) not to exceed \$10,000,000 for financial assistance pursuant to section 516 for the period ending September 30, 1965;"

(c) Section 506(a) of such Act is amended by striking out "sections 514 and 515", each place it appears, and inserting in lieu thereof "sections 514-516".

TITLE VI—COMMUNITY FACILITIES

PUBLIC FACILITY LOANS

SEC. 601. (a) Section 202(a) of the Housing Amendments of 1955 is amended by striking out in clause (1) of the first sentence "instrumentalities of States" and inserting in lieu thereof "instrumentalities of one or more States", and by striking out "in the same State" and inserting in lieu thereof "of one or more States".

(b) Section 202(b)(4) of such Amendments is amended by—

(1) striking out "the second sentence of section 5(a) of the Area Redevelopment Act" and inserting in lieu thereof "section 5 of the Area Redevelopment Act"; and

(2) inserting "(A)" before "to any municipality" in the first sentence, and by striking out everything following the phrase "most recent decennial census, or" in that sentence and inserting in lieu thereof the following: "; (B) to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States, unless each municipality, political subdivision, or unincorporated area to be served by the specific public work or facility for which assistance is sought under this section has a population less than the applicable figure under clause (A) according to such census."

ADVANCES FOR PUBLIC WORKS PLANNING

SEC. 602. (a) Section 702(e) of the Housing Act of 1954 is amended to read as follows:

"(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances (and claims in connection with advances) outstanding as of such date, under title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-2). There are authorized to be appropriated to such revolving fund, in addition to amounts authorized to be appropriated for the purposes of this section prior to the date of the enactment of the Housing Act of 1964, such sums, not to exceed \$20,000,000, as may be necessary to carry out the purposes of this section."

(b) Section 702 of such Act is further amended by adding at the end thereof the following new subsection:

"(h)(1) Notwithstanding any other provision of law, if a public agency or Indian tribe undertakes to construct only a portion of a public work planned with an advance under this section, under title V of the War

Mobilization and Reconversion Act of 1944, or under the Act of October 13, 1949, it shall repay only such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable.

“(2) The Administrator is authorized to terminate, upon such terms and conditions as he shall deem equitable, all or a portion of the liability for repayment of any advance made under this section, title V of the War Mobilization and Reconversion Act of 1944, or the Act of October 13, 1949. Whenever the Administrator determines that there is no reasonable likelihood that the public work, or a portion of the public work, planned with such advance will be constructed, he may terminate the agreement for the advance. Such determination shall be conclusive and shall be based on standards prescribed by regulations to be issued by the Administrator.”

(c) Section 702 of such Act is further amended—

(1) by striking out “public agencies” wherever that term appears in subsection (a) and inserting in lieu thereof “public agencies and Indian tribes”;

(2) by striking out “public agency” in clause (3) of subsection (b) and inserting in lieu thereof “public agency or Indian tribe”;

(3) by striking out “to any public agency” and “by the public agency” in subsection (c) and inserting in lieu thereof “to any public agency or Indian tribe” and “by the public agency or Indian tribe”, respectively, and by striking out “by such agency” in such subsection and inserting in lieu thereof “by such agency or tribe”; and

(4) by striking out “That if” and all that follows down through “And provided further,” in subsection (c).

(d) Section 702(f) of such Act is amended by striking out “\$50,000” and inserting in lieu thereof “\$100,000”.

(e) Section 702(a) of such Act is amended by inserting immediately before the first colon the following: “, including, in the case of public works to be constructed in connection with the development of a medical center, a general plan for the development of such center”.

(f) Section 702(b) of such Act is amended by striking out the last sentence.

TITLE VII—FEDERAL NATIONAL MORTGAGE ASSOCIATION

POOLING OF MORTGAGES FOR SALE

SEC. 701. (a) Section 302 of the National Housing Act is amended by adding at the end thereof a new subsection as follows:

“(c) Notwithstanding any other provision of this Act or of any other law, the Association is authorized under section 306 to create, accept, execute, and otherwise administer in all respects such trusts, receiverships, conservatorships, liquidating or other agencies, or other fiduciary and representative undertakings and activities as might be appropriate for financing purposes; and in relation thereto the Association may acquire, hold and manage, dispose of, and otherwise deal in any first mortgages in which the United States or any agency or instrumentality thereof may have a financial interest. The Association may join in any such undertakings and activities notwithstanding that it is also serving in a fiduciary or representative capacity; and is authorized, consistent with section 307, to guarantee any participations or other instruments, whether evidence of property rights or debt, issued for such financing purposes. Any par-

participations or other instruments so guaranteed shall to the same extent as securities issued or guaranteed by the United States or its instrumentalities be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission. The amounts of any mortgages acquired by the Association under section 306, Pursuant to this subsection, shall not be included in the total amounts set forth in section 306(c)."

(b) (1) Section 311 of such Act is amended by inserting after "obligations" the following: ", participations, or other instruments".

(2) Sections 304(b) and 306(b) of such Act are amended respectively by striking out "or obligations which are lawful investments" and inserting in lieu thereof "or obligations, participations, or other instruments which are lawful investments".

(3) Section 310 of such Act is amended by striking out "or in obligations which are lawful investments" and inserting in lieu thereof "or in obligations, participations, or other instruments which are lawful investments".

(c) The penultimate sentence of paragraph Seventh of section 5136 of the Revised Statutes is amended by striking out "or obligations of the Federal National Mortgage Association" and inserting in lieu thereof "or obligations, participations, or other instruments of or issued by the Federal National Mortgage Association".

(d) (1) Section 11(h) of the Federal Home Loan Bank Act is amended by striking out "in obligations of the Federal National Mortgage Association" and inserting in lieu thereof "in obligations, participations, or other instruments of or issued by the Federal National Mortgage Association".

(2) The last sentence of section 16 of such Act is amended by striking out "in obligations of the Federal National Mortgage Association" and inserting in lieu thereof "in obligations, participations, or other instruments of or issued by the Federal National Mortgage Association".

(e) (1) Section 1820 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(e)(1) The Administrator is authorized from time to time, as he determines advisable, to set aside first mortgage loans, and installment sale contracts, owned and held by him under this chapter as the basis for the sale of participation certificates as herein provided. For this purpose the Administrator may enter into agreements, including trust agreements, with the Federal National Mortgage Association, and any other Federal agency, under which the Association as fiduciary may sell certificates of participation based on principal and interest collections to be received by the Administrator and the Association or any other such agency on first mortgage loans and installment sale contracts comprising mortgage pools established by them. The agreement may provide for substitution or withdrawal of mortgage loans, or installment sale contracts, or for substitution of cash for mortgages in the pool. The agreement shall provide that the Federal National Mortgage Association shall promptly pay to the Administrator the entire proceeds of any sale of certificates of participation to the extent such certificates are based on mortgages, including installment sale contracts, set aside by the Administrator and he shall periodically pay to the Association, as fiduciary, such funds as are required for payment of interest and principal due on outstanding certificates of participation to the extent of the pro rata amount allocated to the Administrator pursuant to the agreement. The agreement shall also provide that the Administrator shall retain owner-

ship of mortgage loans and installment sale contracts set aside by him pursuant to the agreement unless transfer of ownership to the fiduciary is required in the event of default or probable default in the payment of participation certificates. The Administrator is authorized to purchase outstanding certificates of participation to the extent of the amount of his commitment to the fiduciary on participations outstanding and to pay his proper share of the costs and expenses incurred by the Federal National Mortgage Association as fiduciary pursuant to the agreement.

“(2) The Administrator shall proportionately allocate and deposit the entire proceeds received from the sale of participations into the funds established pursuant to sections 1823 and 1824 of this chapter, as determined on an estimated basis, and the amounts so deposited shall be available for the purposes of the funds. The Administrator may nevertheless make such allocations of that part of the proceeds of participation sales representing anticipated interest collections on mortgage loans, including installment sale contracts, on other than an estimated proportionate basis if determined necessary to assure payment of interest on advances theretofore made to the Administrator by the Secretary of the Treasury for direct loan purposes. The Administrator shall set aside and maintain necessary reserves in the funds established pursuant to sections 1823 and 1824 of this chapter to be used for meeting commitments pursuant to this subsection and, as he determines to be necessary, for meeting interest payments on advances by the Secretary of the Treasury for direct loan purposes.”

(2) Section 1823 of title 38, United States Code, is amended by—

(1) inserting before the period at the end of the last sentence of subsection (a) the following: “, and a reasonable reserve for meeting commitments pursuant to subsection 1820(e) of this title”; and

(2) inserting before the period at the end of the last sentence of subsection (c) the following: “and for the purposes of meeting commitments under subsection 1820 (e) of this title”.

FNMA—REMOVAL OF \$20,000 MORTGAGE AMOUNT LIMITATION

SEC. 702. Section 302(b) of the National Housing Act is amended—

(1) by striking out “any mortgage” in clause (3) and inserting in lieu thereof “any mortgage under section 305”; and

(2) by striking out the proviso in clause (3).

FNMA—NINETY PER CENTUM LOANS

SEC. 703. Section 304(a)(2) of the National Housing Act is amended by striking out “80 per centum” and inserting in lieu thereof “90 per centum”.

FNMA—PURCHASE OF PARTICIPATIONS

SEC. 704. Section 304(d) of the National Housing Act is hereby repealed.

TITLE VIII—TRAINING AND FELLOWSHIP PROGRAMS

PART 1—FEDERAL-STATE TRAINING PROGRAMS

FINDINGS AND PURPOSE

SEC. 801. (a) The Congress finds that the rapid expansion of the Nation's urban areas and urban population has caused severe problems

in urban and suburban development and created a national need to (1) provide special training in skills needed for economic and efficient community development and (2) support research in new or improved methods of dealing with community development problems.

(b) It is the purpose of this part to assist and encourage the States, in cooperation with public or private universities and colleges and urban centers, to (1) organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are training to be, employed by a governmental or public body which has responsibilities for community development; and (2) support State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems.

MATCHING GRANTS TO STATES

SEC. 802. (a) Subject to the provisions of this part and in accordance with regulations prescribed by him, the Administrator may make matching grants to States to assist in—

(1) organizing, initiating, developing, or expanding programs to provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are training to be, employed by a governmental or public body which has responsibilities for community development; and

(2) supporting State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems, and collecting, collating, and publishing statistics and information relating to such research.

(b) No grants may be made to a State under this part unless the Administrator has approved a plan for the State which—

(1) sets forth the proposed use of the funds and the objectives to be accomplished;

(2) explains the method by which the required amounts from non-Federal sources will be obtained;

(3) provides such fiscal control and fund accounting procedures as may be reasonably necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this part;

(4) designates an officer or agency of the State government who has responsibility and authority for the administration of a statewide research and training program as the officer or agency with responsibility and authority for the execution of the State program under this part; and

(5) provides that such officer or agency will make such reports to the Administrator, in such form, and containing such information, as may be reasonably necessary to enable the Administrator to perform his duties under this part.

(c) No grant may be made under this part for any use unless an amount at least equal to such grant is made available from non-Federal sources for the same purpose and for concurrent use.

(d) There is authorized to be appropriated for grants under this part, without fiscal year limitation, not to exceed \$10,000,000.

STATE LIMIT

SEC. 803. Not more than 10 per centum of the total amount authorized to be appropriated by section 802(d) may be used for making grants to any one State.

TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF INFORMATION

SEC. 804. In order to carry out the purpose of this part, the Administrator is authorized to provide technical assistance to State and local governmental or public bodies and to undertake such studies and publish and distribute such information, either directly or by contract, as he shall determine to be desirable. Nothing contained in this part shall limit any authority of the Administrator under any other provision of law.

MISCELLANEOUS

SEC. 805. (a) As used in this part, the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands; and the term "Administrator" means the Housing and Home Finance Administrator.

(b) There are authorized to be appropriated such sums as may be necessary for administrative and other expenses in carrying out this part.

PART 2—FELLOWSHIPS FOR CITY PLANNING AND URBAN STUDIES

SEC. 810. (a) There is hereby authorized to be appropriated not to exceed \$500,000 annually, for a three-year period commencing on July 1, 1964, to be used by the Housing and Home Finance Administrator for the purpose of providing fellowships for the graduate training of professional city planning and urban and housing technicians and specialists as herein provided. Persons shall be selected for such fellowships solely on the basis of ability and upon the recommendation of the Urban Studies Fellowship Advisory Board established pursuant to subsection (b). Fellowships shall be solely for training in public and private nonprofit institutions of higher education having programs of graduate study in the field of city planning or in related fields (including architecture, civil engineering, economics, municipal finance, public administration, and sociology), which programs are oriented to training for careers in city and regional planning, housing, urban renewal, and community development.

(b) There is hereby established the Urban Studies Fellowship Advisory Board (hereinafter referred to as the "Board"), which shall consist of nine members to be appointed by the Housing and Home Finance Administrator as follows: Three from public institutions of higher learning, and three from private nonprofit institutions of higher education, who are the heads of departments which provide academic courses appropriately related to the fields referred to in subsection (a), and three from national organizations which are directly concerned with problems relating to urban, regional, and community development. The Board shall meet upon the request of the Administrator and shall make recommendations to him with respect to persons to be selected for fellowships under this section. Members of the Board shall be entitled to receive transportation expenses and a per diem in lieu of subsistence as authorized for members of advisory committees created pursuant to section 601 of the Housing Act of 1949.

TITLE IX—SAVINGS AND LOAN ASSOCIATIONS

SEC. 901. (a) *The first sentence of section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out "fifty miles" and inserting in lieu thereof "one hundred miles".*

(b) *The third sentence of section 403(b) of the National Housing Act is amended by striking out all that precedes the first semicolon and inserting in lieu thereof the following: "Each applicant for such insurance shall also file with its application an agreement that during the period that the insurance is in force it will not make any loans beyond one hundred miles from its principal office, except (1) loans in the area beyond such one-hundred-mile limit in which it was operating prior to June 27, 1934, and (2) loans which are made pursuant to regulations of the Corporation: Provided, That such agreement shall further provide that any loan made beyond fifty miles from the applicant's principal office (and outside the territory in which it was operating on such date) shall also be subject to such regulations".*

SEC. 902. *The first proviso in section 5(c) of the Home Owners' Loan Act of 1933 is amended—*

(1) *by striking out "\$35,000" and inserting in lieu thereof "\$40,000"; and*

(2) *by striking out " , except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association".*

SEC. 903. *The next to last paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows:*

"Without regard to any other provision of this subsection, any such association is authorized to invest not more than 5 per centum of its assets in, or in interests in, real property located within urban renewal areas as defined in subsection (a) of section 110 of the Housing Act of 1949 and obligations secured by first liens on real property so located, but no investment shall be made by an association under this sentence in real property or any interest therein if the aggregate investment of the association under this sentence in real property and interests therein, determined as prescribed by the Board, would thereupon exceed 2 per centum of the assets of the association."

SEC. 904. *Section 5(c) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof a new paragraph as follows:*

"For the purpose of this section the terms 'real property' and 'real estate' shall include a leasehold or subleasehold estate in real property under a lease or sublease the term of which does not expire, or which is renewable automatically or at the option of the holder (or at the option of the association) so as not to expire, for at least fifteen years beyond the maturity of the debt."

SEC. 905. *Section 5(c) of the Home Owners' Loan Act of 1933 is further amended by adding at the end thereof (after the paragraph added by section 804 of this Act) the following new paragraph:*

"Any such association is authorized to invest in the capital stock, obligations, or other securities of any corporation organized under the laws of the State, District, Commonwealth, territory, or possession in which the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of that State, District, Commonwealth, territory, or possession and by Federal savings and loan associations having their home offices therein, but no association may make any investment under

this sentence if its aggregate outstanding investment under this sentence, determined as prescribed by the Board, would thereupon exceed 1 per centum of its assets."

SEC. 906. Section 10(b) of the Federal Home Loan Bank Act is amended—

(1) by striking out "twenty-five" in clause (1) and inserting in lieu thereof "thirty"; and

(2) by striking out "\$35,000" in clause (2) and inserting in lieu thereof "\$40,000".

SEC. 907. The second proviso in the first paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows: "And provided further, That any portion of the assets of such associations may be invested in obligations of, or fully guaranteed as to principal and interest by, the United States, or in the stock or bonds of a Federal Home Loan Bank, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association or any other agency of the United States; or in general obligations of any State or of any political subdivision thereof; and as used in this proviso the term 'State' shall include the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States".

SEC. 908. The first sentence of the second paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows: "Without regard to any other provision of this subsection except the area requirement, any such association is authorized to invest a sum not in excess of 20 per centum of the assets of such association in loans insured under title I of the National Housing Act, in home improvement loans insured under title II of the National Housing Act, in unsecured loans insured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as amended, or chapter 37 of title 38 of the United States Code, and in other loans for property alteration, repair, or improvement: Provided, That no such loan, unless so insured or guaranteed, shall be made in excess of \$5,000."

SEC. 909. Title IV of the National Housing Act is amended by adding at the end thereof the following new section:

"INVESTMENT OF CERTAIN FUNDS IN ACCOUNTS OF INSURED INSTITUTIONS"

"SEC. 409. The savings accounts and share accounts held by institutions insured by the Corporation, to the extent they are insured by the Corporation, shall be lawful investments and may be accepted as security for all public funds of the United States, fiduciary and trust funds under the authority or control of the United States or any officer or officers thereof, and for the funds of all corporations organized under the laws of the United States (subject to any regulatory authority otherwise applicable), regardless of any limitation of law upon the investment of any such funds or upon the acceptance of security for the investment or deposit of any of such funds."

SEC. 910. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by inserting after the second paragraph the following new paragraph:

"Without regard to any other provision of this subsection, any such association is authorized to invest in loans, obligations, and advances of credit (all of which are hereinafter referred to as 'loans') made for the payment of expenses of college or university education, but no association

shall make any investment in loans under this paragraph if the principal amount of its investment in such loans, exclusive of any investment which is or which at the time of its making was otherwise authorized, would thereupon exceed 5 per centum of its assets."

TITLE X—MISCELLANEOUS

OPEN-SPACE PROGRAM—GRANT AUTHORIZATION

SEC. 1001. Section 702(b) of the Housing Act of 1961 is amended—
 (1) by striking out "\$50,000,000" and inserting in lieu thereof "\$75,000,000"; and
 (2) by adding at the end thereof the following: "All funds so appropriated shall remain available until expended."

COLLEGE HOUSING

SEC. 1002. The second paragraph of section 404(b) of the Housing Act of 1950 is amended by striking out the period and inserting in lieu thereof the following: "": Provided, That where the law of any State in effect on the date of enactment of the Housing Act of 1964 prevents the institution or institutions, for whose students or students and faculty the housing is to be provided, from cosigning the note, the Administrator shall require the corporation and the proposed project to be approved by such institution (or by any one or more of such institutions) in lieu of such cosigning."

ACQUISITION OF CERTAIN HOUSING BY SECRETARY OF DEFENSE

SEC. 1003. The first sentence of section 404(a) of the Housing Amendments of 1955 is amended by inserting before the period at the end thereof the following: ", or (3) any housing situated on or adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) considered by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 608 of the National Housing Act, including adjacent property constructed primarily to provide commercial facilities for the occupants of such housing".

REAL ESTATE LOANS BY NATIONAL BANKS

SEC. 1004. Clause (3) of the third sentence of the first paragraph of section 24 of the Federal Reserve Act is amended to read as follows: "(3) any such loan may be made in an amount not to exceed 80 per centum of the appraised value of the real estate offered as security and for a term not longer than twenty-five years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the entire principal of the loan within the period ending on the date of its maturity, and".

FOREST HILLS PROJECT IN PADUCAH, KENTUCKY

SEC. 1005. The Federal Housing Commissioner is authorized and directed to sell to the Paducah-McCracken County Development Council, Incorporated, of Paducah, Kentucky, for use as a public facility (includ-

ing such use by the Paducah Junior College as may be deemed appropriate by such Council), and for a total price of \$1,000,000, all right, title, and interest of the United States in and to the housing project in Paducah known as Forest Hills (a project constructed under title VIII of the National Housing Act as in effect prior to August 11, 1955, and subsequently acquired by the Federal Housing Administration).

PAYMENT IN LIEU OF TAXES BY HAWAII HOUSING AUTHORITY

SEC. 1006. Notwithstanding the provisions of any other law or any contract or rule of law, the Public Housing Commissioner shall approve a payment in lieu of taxes to be made for the fiscal year ended June 30, 1959, in the amount of \$24,167.78, by the Hawaii Housing Authority to the city and county of Honolulu.

TRANSFER OF LAND FOR URBAN RENEWAL PURPOSES BY PHILADELPHIA HOUSING AUTHORITY

SEC. 1007. (a) Notwithstanding the provisions of title I of the Housing Act of 1949 and the United States Housing Act of 1937, the Housing and Home Finance Administrator and the Public Housing Commissioner are authorized and directed to consent to the transfer by the Philadelphia Housing Authority to the Philadelphia Redevelopment Authority of all property acquired by the Housing Authority for low-rent housing project numbered Pennsylvania 2-51, on condition that (1) an amount which, together with any funds of the Housing Authority available for the purpose, is sufficient to pay and discharge all obligations incurred by the Housing Authority in connection with such low-rent housing project and owing at the time of transfer, will be paid by the Redevelopment Authority to the Public Housing Administration to be applied in satisfaction of the Housing Authority's obligations which it cannot meet with its own funds available for the purpose, and (2) the total amount so paid by the Redevelopment Authority will be included in the gross project cost of its Whitman urban renewal project, Pennsylvania R-35.

(b) The Housing and Home Finance Administrator and the Public Housing Commissioner are authorized to modify any contracts heretofore entered into and to take any other appropriate action necessary to carry out the provisions of subsection (a).

ELIGIBILITY OF CERTAIN LOCAL GRANTS-IN-AID

SEC. 1008. (a) Notwithstanding the date of the commencement of construction of the Fox Point hurricane dam in Providence, Rhode Island, local expenditures made in connection with such dam shall, to the extent otherwise eligible, be counted as a local grant-in-aid to the railroad relocation urban renewal project (Rhode Island R-8) in accordance with the provisions of title I of the Housing Act of 1949.

(b) Notwithstanding the provisions of section 112(b) of the Housing Act of 1949, expenditures made by the Methodist Hospital of Central Illinois, and Saint Francis Hospital, Peoria, Illinois, for the purchase of two parcels of land on or about June 25 and July 28, 1956, for a price of not more than \$82,980, shall if otherwise eligible be counted as local grants-in-aid to the Peoria "Medical Center" urban renewal project

(Illinois R-61) in accordance with the remaining provisions of title I of that Act.

And the House agree to the same.

WRIGHT PATMAN,
ALBERT RAINS,
ABRAHAM J. MULTER,
WILLIAM A. BARRETT,
WILLIAM B. WIDNALL,
PAUL A. FINO,
FLORENCE P. DWYER,
Managers on the Part of the House.

JOHN SPARKMAN,
PAUL H. DOUGLAS,
JOSEPH S. CLARK, Jr.,
HARRISON A. WILLIAMS, Jr.,
EDMUND S. MUSKIE,
EDWARD V. LONG,
JOHN G. TOWER,
WALLACE F. BENNETT,
JACOB K. JAVITS,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3049) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the Senate bill and the House amendment. Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House amendment and the substitute agreed to in conference.

TITLE I—AMENDMENTS TO THE NATIONAL HOUSING ACT

Loan to value ratios

The House amendment contained a provision increasing loan to value ratios on FHA sales housing above \$15,000. No comparable provision was contained in the Senate bill. The conference substitute conforms to the Senate bill.

Maximum mortgage amounts on rental housing

Both the Senate bill and the House amendment contained provisions changing the computation of maximum mortgage amounts on rental housing under FHA from a per room to a per unit basis. These were identical except that the Senate bill authorized the FHA Commissioner to increase the maximum amounts by up to 45 percent in high cost areas, while the House amendment provided for increases up to 30 percent. The conference substitute conforms to the Senate bill.

Term of lease

The House amendment contained a provision authorizing home improvement loans (secs. 203(k) and 220(h)) on leaseholds if the term of the lease ran for more than 5 years beyond the term of the loan. No comparable provision was contained in the Senate bill and the conference substitute requires that the lease run more than 10 years beyond the term of the loan.

Additional mortgagors permitted under FHA section 221(d)(3)

The Senate bill contained a provision not in the House amendment permitting the FHA Commissioner to approve regulated mortgagors other than corporations as sponsors of section 221(d)(3) projects. The conference substitute contains the Senate provision.

Both the House amendment and the Senate bill contained provisions permitting real estate development and building organizations to be the initial mortgagor under section 221(d)(3) during the construction

period, provided they had entered into contracts to sell the project to an eligible sponsor upon completion. The Senate bill further provided that the sponsor which purchased such a project must be a nonprofit organization and that the development organization would be limited to 90 percent of the amount otherwise authorized under section 221. The conference substitute conforms to the Senate bill.

Extension of section 221 mortgage insurance program

The Senate bill contained a provision not in the House amendment which would have extended the termination date of section 221 mortgage insurance for low and moderate cost sales and rental housing for 3 months from July 1 to October 1, 1965. The conference substitute contains this provision.

Mutuality for section 213 cooperative housing

The House amendment contained a provision which would have placed the FHA section 213 cooperative housing program on a mutual basis the same as FHA's basic section 203 sales housing program. There was no comparable provision in the Senate bill and there is none in the conference substitute.

The conference committee felt it did not have sufficient data on the status of the cooperative housing program to determine whether or not such mutuality would be advisable or workable at this time. However, it is the desire of the conferees that FHA establish a separate insurance fund for management-type section 213 mortgage insurance operations.

Section 810 housing

The House amendment contained a provision authorizing 5,000 additional units of FHA-insured "off base" military housing. No comparable provision was contained in the Senate bill and none is contained in the conference substitute.

Payment of insurance claims

The Senate bill contained a provision not in the House amendment to simplify FHA procedures on the payments of claims including the elimination of FHA's certificate of claim. The conference substitute contains the Senate provision.

Cash payment

The Senate bill contained a provision, not in the House amendment, authorizing cash payment instead of debentures for defaulted home improvement loans (sec. 203(k)) not in urban renewal areas. The conference substitute contains the Senate provision.

FHA title I claims

The Senate bill contained a provision not in the House amendment extending the 2-year statutory limitation on FHA demands for return by lenders of insurance benefits received on defaulted title I loans claims which were certified for payment prior to December 31, 1957 (now applicable to claims certified after that date). The conference substitute contains the Senate provision.

Correction of defects

The Senate bill contained a provision, not in the House amendment, authorizing FHA to correct substantial defects in homes built under FHA inspection if the builder does not provide relief. The

conference substitute conforms to the Senate provision except that the new authority is not retroactive and also is applicable only in case of "structural defects."

Acquisition of multifamily projects in default

The Senate bill contained a provision not in the House amendment eliminating the requirement that FHA acquire or foreclose a multifamily project within 1 year of default of the mortgage. The conference substitute contains the Senate provision.

Waiver of premium

The conference substitute contains a provision in the House amendment, not in the Senate bill, waiving the FHA adjusted premium charge in cases where the mortgage is paid off by a nonprofit educational institution. It was the opinion of the conferees that this limited waiver should not become a precedent for other mortgagors.

Transfer of equity in FHA-financed homes

The House bill contained a provision authorizing a homeowner who has an FHA loan and who is required to move to a new location to transfer his home to FHA and receive credit for his equity toward the purchase of an FHA-owned property in his new location. There was no comparable provision in the Senate bill and none is contained in the conference substitute. However, the members of the conference urge the agency to study the problem carefully to see whether a provision of this kind is workable and desirable.

TITLE II—HOUSING FOR THE ELDERLY AND HANDICAPPED

The conference substitute conforms to the House amendment.

TITLE III—URBAN RENEWAL

Capital grant authorization

The House amendment would have authorized an additional \$600 million for capital grants under the urban renewal program, while the Senate bill would have authorized \$850 million for this purpose. The conference substitute authorizes \$725 million.

Loan contracts

The Senate bill contained a provision not in the House amendment to authorize a single contract to provide temporary financing for all urban renewal projects in a community. The conference substitute contains the Senate provision.

Additional relocation payments

The Senate bill contained a provision which would have authorized the payment of up to \$2,500 to displaced small businesses. The House amendment would have authorized the payment of \$1,000. The conference substitute authorizes a \$1,500 payment upon displacement.

The Senate bill would have provided for partial rent payments over a 12-month period to displaced families and elderly individuals. The House amendment authorized the payment of rent or mortgage payments at new accommodations for 3 months not to exceed \$200. The conference substitute provides for payments for up to a 5-month period of up to \$500 on behalf of the displaced low- or moderate-

income family or elderly individual to be applied to housing costs in the new quarters.

The committee wishes to point out that the new relocation payments to individuals for families are in the nature of a substitute for the housing costs which they must pay immediately after their displacement at a time when they are faced with many additional difficulties and expenses, and should not be considered as "income or resources" for purposes of applying the "needs" test under any of the public assistance programs in the Social Security Act.

The Senate bill contained a provision not in the House amendment authorizing the payment of certified actual moving expenses for outdoor advertising displays removed from an urban renewal area. The conference substitute includes the Senate provision.

Rehabilitation loans

The House amendment contained a provision not in the Senate bill authorizing a new program of low interest (3 percent) loans to rehabilitate homes and business firms in urban renewal areas. The conference substitute retains the House provision with an amendment extending the maximum maturity from 15 to 20 years and permitting the refinancing of existing debt in connection with rehabilitation work on homes.

The rehabilitation loans can be made to tenants but the conferees expect that these loans will be made only where there is a long-term lease.

The conference substitute authorizes the appropriation of \$50 million for these loans, the same amount originally approved by the House, and the conferees expect the Housing Administrator to seek the appropriation of the full amount authorized for this urgently needed program.

Tax abatement for FHA section 221(d)(3)

The House amendment contained a provision permitting any local realty tax abatement granted to a section 221(d)(3) housing project to be counted as a noncash local grant-in-aid for urban renewal projects in the community. There was no similar provision in the Senate bill and none is included in the conference substitute.

Projects involving air rights

The Senate bill contained a provision not in the House amendment authorizing urban renewal projects for the development of air rights sites for low- and moderate-income housing and related facilities. The conference substitute conforms to the Senate bill with an amendment limiting such projects to not more than 5 percent of the new capital grant authorization.

Interest rate on urban renewal loans

The Senate bill contained a provision not in the House amendment permitting the interest rate set for an urban renewal contract for loans or advances to apply not only to the amount originally authorized but also to additional amounts authorized by subsequent amendments to the contract. The conference substitute includes the Senate provision.

Urban planning grants in redevelopment areas

The Senate bill contained a provision not in the House amendment making a limited number of counties in areas which are designated

under section 5(b) of the Area Redevelopment Act eligible for section 701 urban planning grants without regard to population and providing three-fourths (rather than two-thirds) grants to these areas. The conference substitute includes the Senate provision.

Closing of Federal installations

The Senate bill contained a provision not in the House amendment authorizing three-fourths planning grants in areas affected by the closing or reduction of a Federal installation. The conference substitute contained the Senate provision.

Planning problems resulting from treaties

The House amendment contained a provision authorizing urban planning grants to official Government agencies in cities affected by treaties. The Senate bill contained a similar amendment which was restricted to problems in El Paso, Tex., arising from the Chamizal Treaty. The conference substitute conforms to the Senate bill.

TITLE IV—HOUSING FOR LOW-INCOME FAMILIES

Eligibility of displaced individuals for low-rent public housing

Both the House amendment and the Senate bill contained provisions making displaced single persons of low income eligible for occupancy in public housing, but the Senate included a further provision permitting the local housing authority to give a priority to families over such individuals. The conference substitute conforms to the Senate bill.

Public housing authorization

The House amendment contained a provision authorizing an increase of \$27 million in low-rent public housing annual contributions to permit the construction of an additional 35,000 units; the Senate bill would have authorized an increase of \$36 million to permit the construction of 45,000 units. The conference substitute would authorize an increase of \$30,250,000 to permit the construction of approximately 37,500 units, and cover the cost of the newly authorized relocation benefits.

TITLE V—RURAL HOUSING

Extension of programs

The Senate bill contained a provision not in the House amendment extending the expiration date of the rural housing programs contained in title V of the Housing Act of 1949 until September 30, 1965. The conference substitute contains the Senate provision.

Housing for the elderly

The Senate bill contained a provision not in the House amendment increasing the maximum amount of a loan insured under the rural housing for the elderly program from \$100,000 to \$300,000. The conference substitute contains the Senate provision.

Direct home loan program

The House amendment contained a provision setting a \$15,000 ceiling on direct loans under title V of the Housing Act of 1949. There was no comparable provision in the Senate bill and none is contained in the conference substitute.

Domestic farm labor

The Senate bill contained a provision not in the House amendment authorizing a new program of Federal grants of up to two-thirds of the cost of providing low-rent housing for domestic farm labor and authorizing an appropriation of \$10 million for this purpose. The conference substitute contains the Senate provision.

TITLE VI—COMMUNITY FACILITIES

Public facility loans

The Senate bill contained a provision not in the House amendment making a limited number of areas designated under section 5(b) of the Area Redevelopment Act eligible for public facility loans if their population does not exceed 150,000. The conference substitute contains the Senate provision.

Advance acquisition of land

The Senate bill contained a provision not in the House amendment authorizing public facility loans with deferred payment of principal and interest to finance acquisition of land to be used for public works and facilities. The Senate receded on this provision and it is not included in the conference substitute. However, the conferees wish to state that they feel that this proposal has much merit but deserves further study. It is the hope of the conferees that such further study will enable a perfected provision to be proposed in next year's bill.

TITLE VII—FEDERAL NATIONAL MORTGAGE ASSOCIATION

FNMA sale of participations

The Senate bill contained a provision not in the House amendment authorizing FNMA to sell beneficial interests or participations in respect to mortgages or interests therein held by Government agencies. The conference substitute contains the Senate provision with an amendment restricting its application to first mortgages held by the Government.

Secondary market

The Senate bill contained a provision not in the House amendment repealing the existing prohibition against purchase of participations in mortgages under FNMA's secondary market program. The conference substitute contains the Senate provision.

TITLE VIII—TRAINING AND FELLOWSHIP PROGRAMS

City planning fellowships

The Senate bill contained a provision not in the House amendment authorizing appropriations of \$500,000 annually for 3 years to provide fellowships for graduate training of city planning and urban and housing technicians and specialists. The conference substitute contains the Senate provision.

TITLE IX—SAVINGS AND LOAN ASSOCIATIONS

Loans on leaseholds

The House amendment contained a provision permitting Federal savings and loan associations to make loans on leaseholds extending 15 years beyond the maturity of the loan or such shorter period as the Federal Home Loan Bank Board may prescribe. The Senate bill had a similar provision except that it set the limit of 15 years or such longer period as the Board may prescribe. The conference substitute contains language requiring that the leasehold extend "at least 15 years" beyond the maturity of the debt.

Authority to invest in municipal bonds

The House amendment contained a provision authorizing Federal savings and loan associations to invest in the obligations of any State, county, municipality, or political subdivision of a State, or any district, public instrumentality, or public authority. There is no comparable provision in the Senate bill. The conference substitute retains the House provision with an amendment eliminating obligations of public instrumentalities and public bodies and restricting the eligibility to general obligation bonds.

Investment of public funds

The House amendment contained a provision not in the Senate bill providing that the accounts insured by the Federal Savings and Loan Insurance Corporation shall be eligible as investments for public funds of the United States. The conference substitute retains the House provision with an amendment giving the Federal Home Loan Bank Board the authority to restrict the investment of the funds of one savings and loan association in the accounts of another.

Urban renewal investment

Both the House amendment and the Senate bill contained identical provisions authorizing Federal associations to invest up to 5 percent of assets in real property and obligations or interests in obligations secured by first liens on property located within an urban renewal area. It is the intention of the conferees that this new authority should be in addition to any provision in existing law and not be diminished by investments permissible under other powers contained in section 5(c) of the Home Owners' Loan Act of 1933.

TITLE X—MISCELLANEOUS

Real estate loans by banks

The Senate bill contained a provision not in the House amendment raising the limits on real estate loans which can be made by national banks from 75 percent of value and a 20-year term to 80 percent of value and a 30-year term. The conference substitute contains the Senate provision with an amendment limiting the term to 25 years.

Medical center urban renewal project

The Senate bill contained a provision not in the House amendment which authorizes expenditures made by the Methodist Hospital of Central Illinois and St. Francis Hospital, Peoria, Ill., for the purchase

of certain land to be made eligible as a local grant-in-aid to the Peoria Medical Center urban renewal project. The conference substitute conforms to the Senate bill.

WRIGHT PATMAN,
ALBERT RAINS,
ABRAHAM J. MULTER,
WILLIAM A. BARRETT,
WILLIAM B. WIDNALL,
PAUL A. FINO,
FLORENCE P. DWYER,
Managers on the Part of the House.



S. 437. An act for the relief of Wilhelm Konyen, his wife Susanne Fritsch Konyen, and their children, Susanne Konyen and Willy Konyen; to the Committee on the Judiciary.

S. 486. An act to amend certain criminal laws applicable to the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 189. An act to authorize the conveyance of certain Federal land under the jurisdiction of the Naval Ordnance Test Station, China Lake, Calif., to the county of Kern, State of California;

H.R. 4223. An act to provide for audit of accounts of private corporations established under Federal law;

H.R. 4361. An act for the relief of the estate of Paul F. Ridge;

H.R. 5154. An act for the relief of Wilfredo Lacar de Leon;

H.R. 5155. An act for the relief of Mrs. Guiseppea D'Aquanno, Maria D'Aquanno, and Benedicto D'Aquanno;

H.R. 5728. An act for the relief of the county of Cuyahoga, Ohio;

H.R. 5964. An act to provide for the inclusion of Hopkins County, Tex., within the Paris Division of the eastern district for the U.S. District Courts in Texas;

H.R. 6034. An act for the relief of Robert L. Johnston;

H.R. 6353. An act to amend the District of Columbia Unemployment Compensation Act, as amended;

H.R. 7138. An act for the relief of St. Francis Levee District, Ark.;

H.R. 7219. An act to amend sections 3288 and 3289 of title 18, United States Code, relating to indictment after dismissal of a defective indictment;

H.R. 7508. An act to amend title 28, United States Code, to establish jurisdiction and venue for appeals from orders of the Interstate Commerce Commission in judicial reference cases;

H.R. 8201. An act for the relief of Maj. Jack J. Shea, U.S. Air Force;

H.R. 9561. An act for the relief of Monty Parvanoff Floroff;

H.R. 10216. An act for the relief of Dr. Miguel de Socarras;

H.R. 10222. An act to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among economically needy households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes;

H.R. 10683. An act to amend the act of July 25, 1956, to remove certain residence restrictions upon officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia;

H.R. 11296. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1965, and for other purposes;

H.R. 11466. An act to enact subtitle II, "Other Commercial Transactions," of title 28, "Commercial Instruments and Transactions," of the District of Columbia Code, and for other purposes;

H.R. 11520. An act to amend subsection (d) of section 1346 of title 28 of the United States Code relating to the jurisdiction of the U.S. district courts;

H.R. 11579. An act making appropriations for certain civil functions administered by the Department of Defense, the Panama Canal, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and the Delaware River Basin Commission, for the fiscal year ending June 30, 1965, and for other purposes; and

H.J. Res. 1160. Joint resolution making continuing appropriations for the fiscal year 1965, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announce his signature to enrolled bills of the Senate of the following titles:

S. 51. An act to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District;

S. 1046. An act to provide hospital, domiciliary, and medical care for non-service-connected disabilities to recipients of the Medal of Honor;

S. 2419. An act to authorize the Secretary of the Interior to condemn certain property in the city of St. Augustine, Fla., within the boundary of the Castillo de San Marcos National Monument, and for other purposes; and

S.J. Res. 162. Joint resolution extending recognition to the International Exposition for Southern California in the year 1968 and authorizing the President to issue a proclamation calling upon the several States of the Union and foreign countries to take part in the exposition.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 1026. Joint resolution to amend section 316 of the Agricultural Adjustment Act of 1938 to extend the time by which a lease transferring a tobacco acreage allotment may be filed.

PERMISSION TO FILE CONFERENCE REPORT

Mr. MOORHEAD. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may have until midnight tonight to file a conference report on the bill S. 3049.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (REPT. NO. 1828)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3049) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, having met, after full and free conference, have agreed to recom-

mend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Housing Act of 1964'."

"TITLE I—AMENDMENTS TO THE NATIONAL HOUSING ACT

"Time limit on FHA recoupment of title I insurance payments

"SEC. 101. Section 2(g) of the National Housing Act is amended by striking out 'after December 31, 1957,'.

"Mortgage limits for homes under section 203 programs

"SEC. 102. (a) Section 203(b)(2) of the National Housing Act is amended by striking out '\$25,000', '\$27,500', '\$27,500', and '\$35,000' and inserting in lieu thereof '\$30,000', '\$32,500', '\$32,500', '\$37,500', respectively.

"(b) Section 203(1) of such Act is amended by striking out '\$9,000' and inserting in lieu thereof '\$11,000'.

"Home improvement loans outside of urban renewal areas

"SEC. 103. Section 203(k) of the National Housing Act is amended by—

"(1) striking out in clause (2) 'economically sound' and inserting in lieu thereof 'an acceptable risk';

"(2) striking out clause (4) and inserting in lieu thereof the following: '(4) insurance benefits shall be paid in cash out of the Section 203 Home Improvement Account or in debentures executed in the name of such Account'; and

"(3) striking out in the third sentence 'Debentures issued with respect to loans insured under this subsection shall be issued' and inserting in lieu thereof 'Insurance benefits paid with respect to loans insured under this subsection shall be paid'.

"Additional relief for home mortgagors in default due to circumstances beyond their control

"SEC. 104. (a) Section 204(a) of the National Housing Act is amended by striking out the fourth proviso and inserting in lieu thereof the following: ': And provided further, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor, he may, upon such terms and conditions as he may prescribe, (1) approve the request of the mortgagor for an extension of the time for the curing of the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property to such time as the Commissioner may determine is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means the Commissioner is authorized to include in the debentures an amount equal to any unpaid mortgage interest, or (2) approve a modification of the terms of the mortgage for the purpose of changing the amortization provisions by recasting, over such longer period as may be approved by the Commissioner, the total unpaid amount then due, as determined by the Commissioner, with the modification to become effective currently or to become effective upon the termination of an agreed-upon extension of the period for curing the default; and the principal amount of the mortgage, as modified, shall be considered to be the

"original principal obligation of the mortgage" as that term is used in this Act for the purpose of computing the total face value of the debentures to be issued or the cash payment to be made by the Commissioner to a mortgagee'.

"(b) Section 230 of such Act is amended by striking out the first sentence and inserting in lieu thereof the following: 'Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner, in his discretion and for the purpose of avoiding foreclosure of the mortgage, and notwithstanding the fact that he has previously approved a request of the mortgagee for an extension of the time for curing the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, or has approved a modification of the mortgage for the purpose of changing the amortization provisions by recasting the unpaid balance, may acquire the loan and security therefor upon payment of the insurance benefits in an amount equal to the unpaid principal balance of the loan plus any unpaid mortgage interest plus reimbursement for such costs and attorney's fees as the Commissioner finds were properly incurred in connection with the defaulted mortgage and its assignment to the Commissioner, and for any proper advances theretofore made by the mortgagee under the provisions of the mortgage. After the acquisition of such mortgage by the Commissioner, the mortgagee shall have no further rights, liabilities, or obligations with respect thereto.'

"Changes in FHA insurance benefits and simplification of payment procedures"

"Sec. 105. (a) Section 204 of the National Housing Act is amended by—

"(1) striking out in the third sentence of subsection (a) the words 'insurance on the mortgaged property, and any mortgage insurance premiums paid after either of such dates' and inserting in lieu thereof the following: 'charges for the administration, operation, maintenance and repair of community-owned property or the maintenance and repair of the mortgaged property, the obligation for which arises out of a covenant filed for record and approved by the Commissioner prior to the insurance of the mortgage, insurance on the mortgaged property, and any mortgage insurance premiums';

"(2) inserting after the colon following the second proviso of subsection (a) two additional provisos as follows: '*And provided further*, That with respect to a mortgage accepted for insurance pursuant to a commitment issued on or after the date of enactment of the Housing Act of 1964, the Commissioner may include in debentures or in the cash payment an amount not to exceed the foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner: *And provided further*, That with respect to a mortgage accepted for insurance pursuant to a commitment issued prior to the date of enactment of the Housing Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures or in the cash payment, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee';

"(3) striking out 'and the payment of insurance premiums' in the third proviso in subsection (a) (as numbered prior to the amendment made by paragraph (2)), and by inserting before the colon at the end of such

proviso the following: '*And provided further*, That where the claim is paid in cash there shall be included in the cash payment an amount equivalent to the compensation for loss of debenture interest that would be included in computing debentures if such claim were being paid in debentures';

"(4) striking out '\$50' in the second sentence of subsection (c) and inserting in lieu thereof '\$350';

"(5) striking out in the second sentence of subsection (d) ', except that debentures issued pursuant to the provisions of section 220(f), section 221(g), and section 233 may be dated as of the date the mortgage is assigned (or the property is conveyed) to the Commissioner, and' and inserting in lieu thereof ': *Provided*, That debentures issued pursuant to claims for insurance filed on or after the date of enactment of the Housing Act of 1964 shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures';

"(6) (A) inserting '(1)' after '(e)' in subsection (e); striking out 'The certificate' in such subsection and inserting in lieu thereof 'Subject to paragraph (2), the certificate'; and adding at the end of such subsection a new paragraph as follows:

"(2) A certificate of claim shall not be issued and the provisions of paragraph (1) of this subsection shall not be applicable in the case of a mortgage accepted for insurance pursuant to a commitment issued on or after the date of enactment of the Housing Act of 1964.';

"(B) striking out 'and a certificate of claim' in the second sentence of subsection (a) and inserting in lieu thereof 'and (subject to subsection (e)(2)) a certificate of claim';

"(7) striking out the first paragraph of subsection (f) and inserting in lieu thereof the following:

"(f) (1) If, after deducting (in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound accounting practice) the expenses incurred by the Commissioner, the net amount realized from any property conveyed to the Commissioner under this section and the claims assigned therewith exceed the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be divided as follows:';

"(8) redesignating the second paragraph of subsection (f) as paragraph (1), and striking out '207; and' at the end of the paragraph and inserting in lieu thereof the following: '207: *Provided*, That on and after the date of enactment of the Housing Act of 1964, any excess remaining after payment to the holder of the full amount of the certificate of claim, together with the accrued interest increment thereon, shall be retained by the Commissioner and credited to the applicable insurance fund; and';

"(9) redesignating the third paragraph of subsection (f) as paragraph (1);

"(10) designating the last paragraph of subsection (f) as paragraph (2) and inserting the following before the period at the end thereof: '*Provided*, That the settlement authority created by the Housing Amendments of 1955 shall be terminated with respect to any certificates of claim outstanding as of the date of enactment of the Housing Act of 1964'; and

"(11) inserting at the end of subsection (f) a new paragraph as follows:

"(3) With the consent of the holder thereof, the Commissioner is authorized, without awaiting the final liquidation of the Commissioner's interest in the property, to settle any certificate of claim issued pursuant to subsection (e), with respect to which settlement had not been effected prior to the date of enactment of the

Housing Act of 1964, by making payment in cash to the holder thereof of such amount not exceeding the face amount of the certificate of claim, together with the accrued interest thereon, as the Commissioner may consider appropriate: *Provided*, That in any case where the certificate of claim is settled in accordance with the provisions of this paragraph, any amounts realized after the date of enactment of the Housing Act of 1964, in the liquidation of the Commissioner's interest in the property, shall be retained by the Commissioner and credited to the applicable insurance fund.'

"(b) Section 207(g) of such Act is amended by adding at the end thereof the following: 'Notwithstanding any other provision of this Act, upon receipt, after the date of enactment of the Housing Act of 1964, of an application for insurance benefits on a mortgage insured under this Act, the Commissioner may terminate the mortgagee's obligation to pay premium charges on the mortgage.'

"(c) (1) Sections 203(k), 220(f)(3), 220(h)(6), and 233(g) of such Act are each amended by adding at the end thereof the following: 'If the insurance payment is made in cash, there shall be added to such payment an amount equivalent to the interest which the debentures would have earned, computed to a date to be established pursuant to regulations issued by the Commissioner.'

"(2) Section 221(g)(3) of such Act is amended by striking out '; or' at the end thereof and inserting in lieu thereof a period and the following: 'If the insurance is paid in cash, there shall be added to such payment an amount equivalent to the interest which the debentures would have earned, computed to a date to be established pursuant to regulations issued by the Commissioner.'

"(d) Section 604 of the National Housing Act is amended by—

"(1) inserting after the colon following the first proviso in subsection (a) an additional proviso as follows: '*Provided further*, That with respect to any debentures issued on or after the date of enactment of the Housing Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee';

"(2) striking out '\$50' in the second sentence of subsection (c) and inserting in lieu thereof '\$350';

"(3) striking out 'default, and' in the second sentence of subsection (d) and inserting in lieu thereof the following: 'default, except that debentures issued pursuant to claims for insurance filed on or after the date of enactment of the Housing Act of 1964, shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures';

"(4) striking out the first paragraph of subsection (f) and inserting in lieu thereof the following:

"(f) (1) If, after deducting (in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound accounting practice) the expenses incurred by the Commissioner, the net amount realized from any property conveyed to the Commissioner under this section and the claims assigned therewith exceed the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures,

tures, such excess shall be divided as follows:

"(5) redesignating the second paragraph of subsection (f) as paragraph (1), and striking out 'property; and' at the end of the paragraph and inserting in lieu thereof the following: 'property: *Provided*, That on and after the date of enactment of the Housing Act of 1964, any excess remaining after payment to the holder of the full amount of the certificate of claim shall be retained by the Commissioner and credited to the War Housing Insurance Fund; and';

"(6) redesignating the third paragraph of subsection (f) as paragraph (ii);

"(7) designating the last paragraph of subsection (f) as paragraph (2) and inserting the following before the period at the end thereof: '*Provided*, That the settlement authority created by the Housing Amendments of 1955 shall be terminated with respect to any certificate of claim outstanding as of the date of enactment of the Housing Act of 1964'; and

"(8) inserting at the end of subsection (f) a new paragraph as follows:

"(3) With the consent of the holder thereof, the Commissioner is authorized to settle, without awaiting the final liquidation of the Commissioner's interest in the property, any certificate of claim issued pursuant to subsection (e), with respect to which a settlement had not been effected prior to the date of enactment of the Housing Act of 1964, by making payment in cash to the holder thereof of such amount, not exceeding the face amount of the certificate of claim, together with the accrued interest increment thereon, as the Commissioner may consider appropriate: *Provided*, That in any case where the certificate of claim is settled in accordance with the provisions of this paragraph, any amounts realized after the date of enactment of the Housing Act of 1964, in the liquidation of the Commissioner's interest in the property, shall be retained by the Commissioner and credited to the applicable insurance fund."

"(e) Section 904 of such Act is amended by—

"(1) inserting after the colon following the first proviso in subsection (a) an additional proviso as follows: '*Provided further*, That with respect to any debentures issued on or after the date of enactment of the Housing Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee';

"(2) striking out '\$50' in the second sentence of subsection (c) and inserting in lieu thereof '\$350'; and

"(3) striking out 'default, and' in the second sentence of subsection (d) and inserting in lieu thereof the following: 'default, except that debentures issued pursuant to claims for insurance filed on or after the date of enactment of the Housing Act of 1964 shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures'.

"(f) Sections 604 and 904 of such Act are each amended by striking out in the third sentence of subsection (a) 'paid after either of such dates'.

"Maximum amount of section 207 rental housing mortgages"

"SEC. 106. Section 207(c)(2) of the National Housing Act is amended by striking out all that follows the first colon and precedes 'to mortgages on housing in Alaska',

and inserting in lieu thereof the following: '*Provided*, That this limitation shall not apply'.

"Family unit limits on FHA rental housing"

"SEC. 107. (a) Section 207(c)(3) of the National Housing Act is amended by striking out the first paragraph and inserting in lieu thereof the following:

"(3) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms or not to exceed \$1,800 per space or \$500,000 per mortgage for trailer courts or parks; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require."

"(b) Section 213(b)(2) of such Act is amended by striking out all that precedes the third proviso and inserting in lieu thereof the following:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms, and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided*, That as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further*, That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require."

"(c) Section 220(d)(3)(B)(iii) of such Act is amended to read as follows:

"(iii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500

per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require: *Provided*, That nothing contained in this subparagraph shall preclude the insurance of mortgages covering existing multifamily dwellings to be rehabilitated or reconstructed for the purposes set forth in subsection (a) of this section; and."

"(d)(1) Section 221(d)(3)(ii) of such Act is amended to read as follows:

"(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require; and."

"(2) Section 221(d)(4)(ii) of such Act is amended to read as follows:

"(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require; and."

"(e) Section 231(c)(2) of such Act is amended to read as follows:

"(2) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family

unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require;.

"(f) (1) Clause (2) in the first sentence of section 810(f) of such Act is amended by striking out '\$2,500 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit)' and inserting in lieu thereof '\$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms'.

"(2) The second sentence of section 810(f) of such Act is amended to read as follows: 'The Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require.'

"(g) If the Federal Housing Commissioner determines that it would be inequitable to apply the provisions of the National Housing Act as amended by this section to a project which had been submitted for his consideration prior to the date of the enactment of this Act, such provisions may be applied to such project without regard to the amendments made by this section.

"Elimination of mandatory acquisition or foreclosure within one year of multifamily project in default"

"Sec. 108. Section 207(k) of the National Housing Act is amended by striking out the second sentence.

"Supplementary cooperative loans under section 213(j)"

"Sec. 109. (a) Section 213(j) (1) of the National Housing Act is amended—

"(1) by striking out 'or' at the end of clause (A);

"(2) by striking out the period at the end of clause (B) and inserting in lieu thereof '; or'; and

"(3) by adding at the end thereof the following new clause:

"(C) Cooperative purchases and resales of memberships in order to provide necessary refinancing for resales of memberships which involve increases in equity; but in such resales by the cooperative the downpayments by the new members shall not be less than those made on the original sales of such memberships."

"(b) Section 305(e) of such Act is amended by adding at the end thereof the following new sentence: 'Without regard to any of the limitations of this subsection except the total amount of authorizations available, the Association is authorized to enter into advance commitment contracts and purchase transactions on supplementary cooperative loans with respect to which the Federal Housing Commissioner shall have issued, pursuant to section 213(j), either a commitment to insure or a statement of eligibility; but such commitments and purchases shall be made solely where there is a management-type cooperative involved which is certified by the Federal Housing Commissioner as a consumer cooperative.'

"Mortgage limits under section 220 multifamily housing mortgage insurance program"

"Sec. 110. Section 220(d) (3) (A) (i) of the National Housing Act is amended by striking out '\$25,000', '\$27,500', '\$30,000', '\$35,000', and '\$35,000' and inserting in lieu thereof '\$30,000', '\$32,500', '\$32,500', '\$37,500', and '\$37,500', respectively.

"Mortgage limits under section 220 multifamily housing mortgage insurance program"

"Sec. 111. Section 220(d) (3) (B) (1) of the National Housing Act is amended by striking out '\$20,000,000' and inserting in lieu thereof '\$30,000,000'.

"Loans to cover the cost of public improvements"

"Sec. 112. (a) The second sentence of section 220(h) (1) of the National Housing Act is amended to read as follows: 'As used in this subsection—

"(A) the term 'home improvement loan' means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made—

"(i) for the purpose of financing the improvement of an existing structure (or in connection with an existing structure) which was constructed not less than ten years prior to the making of such loan, advance of credit, or purchase, and which is used or will be used primarily for residential purposes: *Provided*, That a home improvement loan shall include a loan, advance, or purchase with respect to the improvement of a structure which was constructed less than ten years prior to the making of such loan, advance, or purchase if the proceeds are or will be used primarily for major structural improvements, or to correct defects which were not known at the time of the completion of the structure or which were caused by fire, flood, windstorm, or other causality; or

"(ii) for the purpose of enabling the borrower to pay that part of the cost of the construction or installation of sidewalks, curbs, gutters, street paving, street lights, sewers, or other public improvements, adjacent to or in the vicinity of property owned by him and used primarily for residential purposes, which is assessed against him or for which he is otherwise legally liable as the owner of such property;

"(B) the term 'improvement' means conservation, repair, restoration, rehabilitation, conversion, alteration, enlargement, or remodeling; and

"(C) the term 'financial institution' means a lender approved by the Commissioner as eligible for insurance under section 2 of a mortgage approved under section 203(b) (1)."

"(b) Section 220(h) (2) (i) of such Act is amended by inserting before the semicolon at the end thereof the following: ', and be limited as required by paragraph (11)'. "

"(c) Section 220(h) of such Act is further amended by adding at the end thereof the following new paragraph:

"(11) Notwithstanding any other provision of this Act, no home improvement loan made in whole or in part for the purpose specified in clause (A) (ii) of the second sentence of paragraph (1) shall be insured under this subsection if such loan (or the portion thereof which is attributable to such purpose), when added to the aggregate principal balance of any outstanding loans insured under this subsection or section 203(k) which were made to the same borrower for the purpose so specified (or the portion of such aggregate balance which is attributable to such purpose), would exceed \$10,000."

"Home improvement loans on property held under lease"

"Sec. 113. Section 220(h) (2) (vi) of the National Housing Act is amended by striking out 'a period of not less than 50 years to run from the date of the loan' and inserting in lieu thereof 'an expiration date in excess of 10 years later than the maturity date of the loan'.

"FHA section 221 housing for low- or moderate-income persons"

"Sec. 114. (a) Section 221(d) (3) of the National Housing Act is amended by inserting

after 'or association' the following: ', or other mortgagor approved by the Commissioner, and'.

"(b) Subsection (e) of section 221 of such Act is amended to read as follows:

"(e) (1) A mortgagor which may be approved by the Commissioner as provided in subsection (d) (3) includes a mortgagor which, as a condition of obtaining insurance of the mortgage and prior to the submission of its application for such insurance, has entered into an agreement (in form and substance satisfactory to the Commissioner) with a private nonprofit corporation eligible for an insured mortgage under the provisions of subsection (d) (3), that the mortgagor will sell the project when it is completed to the corporation at the actual cost of the project, as certified pursuant to section 227 of this Act. The mortgagor to whom the property is sold shall be regulated or supervised by the Commissioner as provided in subsection (d) (3) to effectuate its purposes.

"(2) The Commissioner may at any time, under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instrument secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage."

"(c) Section 221(d) (3) of such Act is amended by inserting before the colon at the end of the first proviso in clause (iii): '*Provided further*, That in the case of any mortgagor other than a nonprofit corporation or association, cooperative (including an investor-sponsor), or public body, or a mortgagor meeting the special requirements of subsection (e) (1), the amount of the mortgage shall not exceed 90 per centum of the amount otherwise authorized under this section'.

"(d) The last sentence of section 221(f) of such Act is amended by striking out 'July 1, 1965', each place it appears, and inserting in lieu thereof 'September 30, 1965'.

"Mortgage insurance for servicemen"

"Sec. 115. Section 222(b) of the National Housing Act is amended—

"(1) by striking out '203(b) or 203(1)' in paragraph (1) and inserting in lieu thereof '203(b), 203(1), or 221(d) (2)'; and

"(2) by striking out 'such principal obligation shall not exceed \$9,000' in paragraph (2) and inserting in lieu thereof 'or section 221(d) (2) such principal obligation shall not exceed the maximum limits prescribed for such section'.

"Private financing of sale of FHA-acquired properties"

"Sec. 116. Section 223(c) of the National Housing Act is amended by striking out 'limitation upon eligibility contained in this title II' and inserting in lieu thereof the following: 'limitations or requirements contained in this title upon the eligibility of the mortgage, upon the payment of insurance premiums, or upon the terms and conditions of insurance settlement and the benefits of the insurance to be included in such settlement (except that in any case the payment of insurance shall be in debentures)'.

"Mortgage insurance for nonprofit nursing homes"

"Sec. 117. Section 232(b) (1) of the National Housing Act is amended by inserting after 'proprietary facility' the following: 'or facility of a private nonprofit corporation or association'.

"Experimental housing"

"Sec. 118. (a) Section 233(a) of the National Housing Act is amended by striking out ', in the case of mortgages insured under subsection (b) (2) of this section, advances on such mortgages' and inserting in lieu thereof 'home improvement loans, and including advances on mortgages'.

"(b) Section 233(b) of such Act is amended to read as follows:

"(b) To be eligible for insurance under this section, a mortgage shall meet the requirements of one of the other sections of this title; except that, in lieu of determining the appraised value or the replacement cost of the property in cases involving new construction or the estimated cost of repair and rehabilitation or improvement in cases involving existing properties, the Commissioner shall estimate the cost of replacing the property using comparable conventional design, materials, and construction, and any limitation upon the maximum mortgage amount available to a nonoccupant owner shall not, in the discretion of the Commissioner, be applicable to mortgages insured under this section."

"(c) Section 233 of such Act is further amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

"(e) Any mortgagee or lender under a mortgage insured under subsection (b) shall be entitled to insurance benefits determined in the same manner as such benefits would be determined if such mortgage or loan were insured under the section of this title for which it otherwise would have been eligible except for the experimental feature of the property involved."

"(d) Section 233 of such Act is further amended by redesignating subsections (g) and (h) as subsections (f) and (g), respectively, and by striking out 'subsections (e) and (f)' in the first sentence of the subsection so redesignated as subsection (f) and inserting in lieu thereof 'subsection (e)'."

"Mortgage insurance for condominiums"

"SEC. 119. (a) Section 234 of the National Housing Act is amended—

"(1) by striking out the heading and inserting in lieu thereof 'MORTGAGE INSURANCE FOR CONDOMINIUMS';

"(2) by striking out 'structure' each place it appears and inserting in lieu thereof 'project' (and by striking out 'structures' in the last sentence of subsection (c) and inserting in lieu thereof 'projects');

"(3) by striking out 'the term "mortgage" for the purposes of this section' in subsection (b) and inserting in lieu thereof 'the term "mortgage" for the purposes of subsection (c)';

"(4) (A) by striking out 'this section' each time it appears in subsection (c) and inserting in lieu thereof 'this subsection';

"(B) by striking out 'under another section' in the first sentence of subsection (c) and inserting in lieu thereof 'under any section';

"(5) by striking out 'section 213' each time it appears in subsection (c) and inserting in lieu thereof 'section 213(a) (1) and (2)';

"(6) by striking out the third sentence of subsection (c) and inserting in lieu thereof the following: 'To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed \$30,000, and not to exceed the sum of (i) 97 per centum of \$15,000 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of \$15,000 but not in excess of \$20,000, and (iii) 75 per centum of such value in excess of \$20,000, and (B) have a maturity satisfactory to the Commissioner, but not to exceed, in any event, thirty-five years from the date of the beginning of amortization of the mortgage or three-fourths of the Commissioner's estimate of the remaining economic life of the project, whichever is the lesser.';

"(7) by redesignating subsection (d) as

subsection (g), by redesignating subsections (e) and (f) as subsections (i) and (j), respectively, and by inserting after subsection (c) the following new subsections:

"(d) In addition to individual mortgages insured under subsection (c), the Commissioner is authorized, in his discretion and under such terms and conditions as he may prescribe, to insure blanket mortgages (including advances on such mortgages during construction) which cover multifamily projects to be constructed or rehabilitated in cases where the mortgage is held by a mortgagor, approved by the Commissioner, which—

"(1) has certified to the Commissioner, as a condition of obtaining the insurance of a blanket mortgage under this subsection, that upon completion of the multifamily project covered by such mortgage it intends to commit the ownership of the multifamily project to a plan of family unit ownership under which each family unit would be eligible for individual mortgage insurance under subsection (c) and will faithfully and diligently make and carry out all reasonable efforts to establish such plan of family unit ownership and to sell such family units to purchasers approved by the Commissioner; and

"(2) shall be regulated or restricted by the Commissioner as to rents, charges, capital structure, rate of return, and methods of operation until the termination of all obligations of the Commissioner under the insurance and during such further period of time as the Commissioner shall be the owner, holder, or reinsurer of the mortgage. The Commissioner may make such contracts with and acquire for not to exceed \$100 such stock or interest in such mortgagor as he may deem necessary to render effective the regulation and restriction of such mortgagor. The stock or interest acquired by the Commissioner shall be paid for out of the Apartment Unit Insurance Fund, and shall be redeemed by the mortgagor at par at any time upon the request of the Commissioner after the termination of all obligations of the Commissioner under the insurance.

"(e) To be eligible for insurance, a blanket mortgage on any multifamily project of a mortgagor of the character described in subsection (d) shall involve a principal obligation in an amount—

"(1) not to exceed \$20,000,000, or not to exceed \$25,000,000 if the mortgage is executed by a mortgagor regulated or supervised, under Federal or State law or by a political subdivision of a State or an agency thereof, as to rents, charges, and methods of operation;

"(2) not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the project when the proposed physical improvements are completed;

"(3) not to exceed, for such part of the project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dol-

lar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require; and

"(4) not to exceed an amount equal to the sum of the unit mortgage amounts determined under the provisions of subsection (c) assuming the mortgagor to be the owner and occupant of each family unit.

"(f) Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such term as the Commissioner may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 5¼ per centum per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the blanket mortgage upon such terms and conditions as he may prescribe and the blanket mortgage may provide for such release. The project covered by the blanket mortgage may include five or more family units and such commercial and community facilities as the Commissioner deems adequate to serve the occupants."

"(8) by striking out 'this section' each time it appears in the subsection redesignated as subsection (g) by paragraph (7) of this subsection and inserting in lieu thereof 'subsection (c) of this section';

"(9) by inserting after the subsection redesignated as subsection (g) by paragraph (7) of this subsection the following new subsection:

"(h) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall be applicable to mortgages insured under subsection (d) of this section, except that all references to the Housing Insurance Fund, or Housing Fund, shall be construed to refer to the Apartment Unit Insurance Fund; and

"(10) by amending the subsection redesignated as subsection (j) by paragraph (7) of this subsection to read as follows:

"(j) The provisions of sections 225 and 230 shall be applicable to the mortgages insured under subsection (c) of this section."

"(b) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: 'The provisions of this section shall also apply to the insurance of any mortgage under section 234(d).'

"(c) Section 227(a) of such Act is amended by striking out 'or (vii)' and inserting in lieu thereof '(vii)', and by inserting before the semicolon at the end thereof ', or (viii) under section 234(d)'."

"Prepayment of mortgages by nonprofit educational institutions"

"SEC. 120. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"Prepayment of mortgages by nonprofit educational institutions"

"SEC. 517. (a) Notwithstanding any other provision of this Act, no adjusted premium charge shall be collected in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor certifies to the Commissioner that the loan was paid in full by or on behalf of a nonprofit educational institution which intends to use the property for educational purposes.

"(b) The Commissioner shall refund any adjusted premium charge collected subsequent to July 1, 1962, and prior to the date of the enactment of the Housing Act of 1964, in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor under such mortgage makes the certification prescribed by subsection (a)."

"Correction of substantial defects in mortgaged homes"

"SEC. 121. Title V of the National Housing Act is amended by adding after section 517 (added by section 120 of this Act) the following new section:

"Expenditures to correct or compensate for substantial defects in mortgaged homes"

"SEC. 518. (a) The Commissioner is authorized, with respect to any property improved by a one- to four-family dwelling approved for mortgage insurance prior to the beginning of construction which he finds to have structural defects, to make expenditures for (1) correcting such defects, (2) paying the claims of the owner of the property arising from such defects, or (3) acquiring title to the property: *Provided*, That such authority of the Commissioner shall exist only (A) if the owner has requested assistance from the Commissioner not later than four years (or such shorter time as the Commissioner may prescribe) after insurance of the mortgage, and (B) if the property is encumbered by a mortgage which is insured under this Act after the date of enactment of the Housing Act of 1964.

"(b) The Commissioner shall by regulations prescribe the terms and conditions under which expenditures and payments may be made under the provisions of this section, and his decisions regarding such expenditures or payments, and the terms and conditions under which the same are approved or disapproved, shall be final and conclusive and shall not be subject to judicial review.

"TITLE II—HOUSING FOR THE ELDERLY AND HANDICAPPED"

"Housing for the elderly—Loan program"

"SEC. 201. Section 202(a) (4) of the Housing Act of 1959 is amended by striking out '\$275,000,000' and inserting in lieu thereof '\$350,000,000'.

"FHA section 221 housing for low- or moderate-income elderly persons"

"SEC. 202. Section 221(f) of the National Housing Act is amended by adding at the end thereof the following new sentence: 'Any person sixty-two years of age or over shall be deemed to be a family within the meaning of the terms "family" and "families" as those terms are used in this section.'

"Housing for the handicapped"

"SEC. 203. (a) (1) The heading of title II of the Housing Act of 1959 is amended by striking out 'HOUSING FOR THE ELDERLY' and inserting in lieu thereof 'HOUSING FOR THE ELDERLY OR HANDICAPPED'.

"(2) Section 202 of such Act is amended—

"(A) by striking out 'elderly families and elderly persons' wherever it appears in subsections (a) (1), (a) (2), and (e) and inserting in lieu thereof in each instance 'elderly or handicapped families';

"(B) by amending subsection (d) (1) to read as follows:

"(1) The term "housing" means structures suitable for dwelling use by elderly or handicapped families which are (A) new structures, or (B) provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families;";

"(C) by striking out the first sentence of subsection (d) (4) and inserting in lieu thereof the following: "The term "elderly or handicapped families" means families which consist of two or more persons and the head of which (or his spouse) is sixty-two years of age or over or is handicapped, and such term also means a single person who is sixty-two years of age or over or is handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Administrator, to have a physical impairment which (A) is expected to be of long-continued and

indefinite duration, (B) substantially impedes his ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions.'";

"(D) by inserting before the period at the end of subsection (d) (7) the following: 'or rehabilitation, alteration, conversion, or improvement of existing structures'; and

"(E) by amending subsection (d) (8) to read as follows:

"(8) The term "related facilities" means (A) new structures suitable for use by elderly or handicapped families as cafeterias or dining halls, community rooms or buildings, workshops, or infirmaries or other inpatient or outpatient health facilities, or other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses.'

"(b) The last sentence of section 221(f) of the National Housing Act (as added by section 202 of this Act) is amended by striking out 'person sixty-two years of age or over' and inserting in lieu thereof 'person who is sixty-two years of age or over, or who is a handicapped person within the meaning of section 202 of the Housing Act of 1959'.

"(c) Section 231 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any of the provisions of this section, the housing provided under this section may include family units which are specially designed for the use and occupancy of any person or family qualifying as a handicapped family as defined in section 202 of the Housing Act of 1959, and such special facilities as the Commissioner deems adequate to serve handicapped families (as so defined). The Commissioner may also prescribe procedures to secure to such families preference or priority of opportunity to rent the living units specially designed for their use and occupancy.'

"(d) The second sentence of section 2(2) of the United States Housing Act of 1937 (as amended by section 401 (a) of this Act) is amended by inserting after 'and includes' the following: 'a single person who is handicapped within the meaning of section 202 of the Housing Act of 1959 or who is'.

"(e) Section 207 of the Housing Act of 1961 (as amended by section 407 of this Act) is further amended by inserting before the period at the end of the first sentence the following: 'and of demonstrating the types of housing and the means of providing housing that will assist low income persons or families who qualify as handicapped families as defined in section 202 of the Housing Act of 1959'.

"TITLE III—URBAN RENEWAL"

"Code enforcement"

"SEC. 301. (a) Section 101(c) of the Housing Act of 1949 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ': *Provided further*, That commencing three years after the date of enactment of the Housing Act of 1964, no workable program shall be certified or re-certified unless (A) the locality has had in effect, for at least six months prior to such certification or re-certification, a minimum standards housing code, related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate by the Administrator, and (B) the Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with such housing code.'

"(b) The first sentence of section 110(c) of such Act is amended by inserting after 'or rehabilitation or conservation in an urban renewal area,' the following: 'or a program of code enforcement in an urban renewal area,'.

"(c) Paragraph (5) of the second sentence of section 110(c) of such Act is amended by (1) striking out 'a program of' and inserting in lieu thereof 'programs of code enforcement or', and (2) adding before the semicolon at the end of such paragraph the following: ': *Provided*, That no program of code enforcement shall be included as part of an urban renewal project unless the locality shall agree to increase its total expenditures with respect to code enforcement, during the period such project is under contract for a loan or capital grant, by an amount equal to the required local grants-in-aid with respect to the code enforcement included as part of such project'.

"(d) Any contract for a capital grant under title I of the Housing Act of 1949, executed prior to the date of enactment of this Act, may be amended to incorporate the provisions of subsection (c) for costs incurred on or after such date.

"Self-help programs for community improvement"

"SEC. 302. Section 101(d) of the Housing Act of 1949 is amended by inserting immediately after 'local urban renewal programs' the following: '(including rehabilitation projects requiring no additional assistance under this title or self-liquidating redevelopment projects)'.

"Loan contract for two or more projects"

"SEC. 303. (a) Section 102(a) of the Housing Act of 1949 is amended by adding at the end thereof the following: 'Notwithstanding any other provision of this title, the Administrator may make a temporary loan, as described in the first two sentences of this subsection, for two or more urban renewal projects being carried out by the same local public agency. The principal amount of any such loan which is outstanding at any one time shall not exceed the estimated expenditures to be made by the local public agency for such projects.'

"(b) Section 110(g) of such Act is amended by striking out in the first sentence thereof the words 'for any project'.

"Capital grant authorization"

"SEC. 304. Section 103(b) of the Housing Act of 1949 is amended by striking out 'not to exceed \$4,000,000,000' and inserting in lieu thereof 'not to exceed \$4,725,000,000'.

"Relocation of displacees from urban renewal areas"

"SEC. 305. (a) (1) Section 105(c) of the Housing Act of 1949 is amended by striking out 'families' wherever it appears and inserting in lieu thereof 'individuals and families'.

"(2) The requirement imposed by the amendments made by paragraph (1) shall not be applicable to any project receiving Federal recognition prior to the date of the enactment of this Act.

"(b) Section 105(c) of such Act is further amended by inserting before the period at the end thereof the following: ': *Provided*, That the Administrator shall issue rules and regulations to aid in implementing the requirements of this subsection and in otherwise achieving the objectives of this title which shall require that there be established, at the earliest practicable time, for each urban renewal project involving the displacement of families, individuals, or business concerns occupying property in an urban renewal area, a relocation assistance program which shall include such measures, facilities, and services as may be necessary or appropriate in order (1) to determine the needs of such families, individuals, and business concerns for relocation assistance, (2) to provide information and assistance to aid in relocation and otherwise minimize the hardships of displacement, and (3) to assure the necessary coordination of relocation activities with other project activities and other planned or proposed governmental actions in the community which may affect the carrying out of the relocation program'.

"(c) Section 8(b) of the Small Business Act is amended—

"(1) by striking out 'and' at the end of paragraph (12);

"(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; and"; and

"(3) by adding after paragraph (13) the following new paragraph:

"(14) to provide at the earliest practicable time such information and assistance as may be appropriate, including information concerning eligibility for loans under section 7 (b) (3), to local public agencies (as defined in section 110(h) of the Housing Act of 1949) and to small-business concerns to be displaced by federally aided urban renewal projects in order to assist such small-business concerns in reestablishing their operations."

"Disposal of land for low- and moderate-income housing"

"SEC. 306. Subsections (a) and (b) of section 107 of the Housing Act of 1949 are amended to read as follows:

"(a) Upon approval of the Administrator and subject to such conditions as he may determine to be in the public interest, any real property held as part of an urban renewal project may be made available to (1) a limited dividend corporation, nonprofit corporation or association, cooperative, or public body or agency, or (2) a purchaser who would be eligible for a mortgage insured under section 221 (d) (3) or (d) (4) of the National Housing Act, for purchase at fair value for use by such purchaser in the provision of new or rehabilitated rental or cooperative housing for occupancy by families or individuals of moderate income.

"(b) When it appears in the public interest that real property acquired as part of an urban renewal project should be used in whole or in part for a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act, the property shall be made available to the public housing agency undertaking the low-rent housing project at a price equal to its fair value, as determined in accordance with subsection (a), and such amount shall be included as part of the development cost of such low-rent housing project: *Provided*, That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act, or by analogous provisions in legislation authorizing such State or local program, with respect to the low-rent housing project into which such property was incorporated on or after September 23, 1959, shall (if covered by a contract which, in the determination of the Public Housing Commissioner, will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act, or by provisions found by the Administrator to give equivalent assurance in the case of State or local programs) be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such property (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act."

"Rehabilitation of property in urban renewal areas"

"SEC. 307. Section 110(c) of the Housing Act of 1949 is amended by adding immedi-

ately after and below paragraph (7) the following new paragraph:

"Notwithstanding any other provision of this title, no contract shall be entered into for any loan or capital grant under this title for any project which provides for demolition and removal of buildings and improvements unless the Administrator determines that the objectives of the urban renewal plan could not be achieved through rehabilitation of the project area."

"Projects involving the acquisition and development of air rights sites"

"SEC. 308. (a) Section 110(c) (1) of the Housing Act of 1949 is amended by—

"(1) inserting a new clause (iv) before the proviso to read as follows: ', or (iv) air rights in an area consisting principally of land in highways, railway or subway tracks, bridge or tunnel entrances, or other similar facilities which have a blighting influence on the surrounding area and over which air rights sites are to be developed for the elimination of such blighting influences and for the provision of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income';

"(2) striking out in the proviso 'an open land project' and inserting in lieu thereof 'projects under clauses (iii) and (iv) hereof'; and

"(3) adding before the semicolon at the end thereof the following: ': *Provided further*, That the aggregate amount of capital grants for projects under clause (iv) shall not exceed 5 per centum of the aggregate amount of grants authorized by this title to be contracted for after the date of enactment of the Housing Act of 1964'.

"(b) Section 110(c) of such Act is further amended by—

"(1) striking out 'and' at the end of paragraph (6), and redesignating paragraph (7) as paragraph (8);

"(2) inserting after paragraph (6) a new paragraph as follows:

"(7) construction of foundations and platforms necessary for the provision on air rights sites of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income; and"; and

"(3) striking out 'paragraph (7)' in the third sentence (as numbered prior to the amendments made by this Act) and inserting in lieu thereof 'paragraphs (7) and (8)'.

"(c) Section 110(d) of such Act is amended by striking out 'project' and inserting in lieu thereof 'project, or of air rights over streets, alleys, and other public rights-of-way'.

"(d) Section 110(e) of such Act is amended by striking out 'and (7)' in clause (i) and inserting in lieu thereof '(7), and (8)'.

"Amendment of definition of 'going Federal rate'"

"SEC. 309. Section 110(g) of the Housing Act of 1949 is amended by striking out the last sentence and inserting in lieu thereof the following: 'Any contract for a loan or advance, authorized by the Administrator after the date of enactment of the Housing Act of 1964, shall provide for a single interest rate which shall be applicable also to future amendments of the contract which provide additional funds thereunder, and shall further provide for a periodic revision of the interest rate on the balance outstanding or to be outstanding on such loan or advance based on the going Federal rate on the date of such revision: *Provided*, That any contract for a loan or advance authorized prior to the date of enactment of the Housing Act of 1964 shall be amended (with the first amendment to such contract authorized after the date of enactment of such Act) to provide for such a single interest rate (based on

the going Federal rate at the time such amendment is authorized) and for periodic revision thereof.'

"Relocation payments to displaced persons and businesses"

"SEC. 310. (a) Title I of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"Relocation"

"SEC. 114. (a) Notwithstanding any other provision of this title, an urban renewal project may include the making of payments as prescribed in this section to displaced individuals, families, business concerns, and nonprofit organizations; and any contract for financial assistance under this title shall provide that the capital grant otherwise payable for the project shall be increased by an amount equal to such payments and that no part of the amount of such payments shall be required to be contributed as part of the local grant-in-aid. As used in this section, "displaced" refers to displacement from an urban renewal area made necessary by (1) the acquisition of real property by a local public agency or by any other public body, (2) code enforcement activities undertaken in connection with an urban renewal project, or (3) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan.

"(b) A local public agency may pay to any displaced business concern or nonprofit organization—

"(1) its reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): *Provided*, That such payment shall not exceed \$3,000 (or, if greater, the total certified actual moving expenses); and

"(2) an additional \$1,500 in the case of a private business concern with average annual net earnings of less than \$10,000 per year which (A) was doing business in a location in the urban renewal area on the date of local approval of the urban renewal plan (or of acquisition of real property under the third sentence of section 102(a)), (B) is displaced on or after January 27, 1964, and (C) is not part of an enterprise having establishments outside the urban renewal area."

"Notwithstanding the provisions of clause (1) of the preceding sentence, a business concern which is not being displaced from an urban renewal area shall be eligible for payments under such clause (1) of its certified actual moving expenses with respect to its outdoor advertising displays being removed from the urban renewal area in the same manner as though such business concern were being displaced.

"(c) (1) A local public agency may pay to any displaced individual or family his or its reasonable and necessary moving expenses and any actual direct losses of property (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): *Provided*, That such payment shall not exceed \$200: *And provided further*, That the Administrator may authorize payment to individuals and families of fixed amounts (not to exceed \$200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

"(2) A local public agency may pay (in addition to any amount under paragraph (1)), on behalf of any displaced family or any displaced individual sixty-two years of age or over, during the first five months after displacement, a relocation adjustment payment, not to exceed \$500, to assist such displaced individual or family to acquire a decent, safe, and sanitary dwelling. The relocation adjustment payment shall be an amount

which, when added to 20 per centum of the annual income of the displaced individual or family at the time of displacement, equals the average rental required, for a 12-month period, for such a decent, safe, and sanitary dwelling of modest standards adequate in size to accommodate the displaced individual or family (in the urban renewal area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities): *Provided*, That such payment shall be made only to an individual or family who is unable to secure a dwelling unit in a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act: *Provided further*, That payments under this paragraph shall be available only in the case of families, and individuals sixty-two years of age or over, displaced on or after January 27, 1964.

"(d) The Administrator is authorized to establish such rules and regulations as he may deem appropriate in carrying out the provisions of this section and may provide in any contract with a local public agency, or in regulations promulgated by the Administrator, that determinations of any duly designated officer or agency as to eligibility for and the amount of relocation assistance authorized by this section shall be final and conclusive for any purposes and not subject to redetermination by any court or any other officer. Such regulations shall include provisions to assure that relocation payments, as authorized by this section, shall be made as promptly as possible to all families, individuals, business concerns, and nonprofit organizations found to be eligible for such payments by reason of their having been displaced from property in the urban renewal area, without regard to any subsequent proceedings, determinations, or events relating to such property which do not bear upon whether such displacement in fact occurred."

"(b) Any contract with a local public agency which was executed under title I of the Housing Act of 1949 before the date of the enactment of this Act may be amended to provide for payments authorized by section 114 of the Housing Act of 1949.

"(c) Section 106 of the Housing Act of 1949 is amended by striking out subsection (f).

"Acquisition of property affected by coal mine subsidence or underground mine fires"

"SEC. 311. (a) Section 110(e) of the Housing Act of 1949 is amended by adding at the end thereof the following new paragraph:

"Where a project includes the acquisition of property which has been damaged because of the collapse or subsidence of underlying coal mines, or underground mine fires, and the property is to be acquired from an individual, family, business concern, or nonprofit organization which was the owner of such property at the time the damage first occurred, the amount otherwise allowable as the acquisition price of such property may be increased by an amount equal to so much of any diminution in the value of such property as is determined to be reasonably attributable to such damage and to represent an otherwise uncompensated and (but for such acquisition) uncompensable loss actually sustained by such owner."

"(b) Any contract under title I of the Housing Act of 1949 executed prior to the date of enactment of the Housing Act of 1964 may be amended to provide for payment of the increased amounts authorized under the amendment made by subsection (a) with respect to any uncompleted project if the project includes acquisitions which, under any State or local law in effect on such date, would involve expenditures by a local public agency that could not otherwise be included in the costs of such project.

"Rehabilitation loans"

"SEC. 312. (a) To assist rehabilitation in an urban renewal area and thereby reduce the need for demolition and removal of structures, the Housing and Home Finance Administrator is hereby authorized, through the utilization of local public and private agencies where feasible, to make loans as herein provided to the owners or tenants of property in such area to finance rehabilitation required to make the property conform to applicable code requirements or to carry out the objectives of the urban renewal plan for the area. No loan shall be made under this section unless the Administrator finds (1) that the applicant is unable to secure the necessary funds from other sources upon reasonable terms and conditions, and (2) the loan is an acceptable risk taking into consideration the need for the rehabilitation, the security available for the loan, and the ability of the applicant to repay the loan.

"(b) For the purposes of this section—

"(1) the term 'rehabilitation' means the improvement or repair of a structure or facilities in connection with a structure, and may include the provision of such sanitary or other facilities as are required by applicable codes or the urban renewal plan to be provided by the owner or tenant of the property;

"(2) the term 'urban renewal area' means a slum area or a blighted, deteriorated, or deteriorating area as defined in section 110(a) of the Housing Act of 1949;

"(3) the term 'tenant' means a person or organization who is occupying a structure under a lease having a period to run at the time a rehabilitation loan is made under this section of not less than the term of the loan; and

"(4) the term 'Administrator' means the Housing and Home Finance Administrator.

"(c) A rehabilitation loan made under this section shall be subject to the following limitations:

"(1) The loan shall be subject to such terms and conditions as may be prescribed by the Administrator.

"(2) The term of the loan may not exceed twenty years or three-fourths of the remaining economic life of the structure after rehabilitation, whichever is less.

"(3) The loan shall bear interest at such rate as the Administrator determines to be appropriate but not to exceed 3 per centum per annum of the amount of the principal outstanding at any time, and the Administrator may prescribe such other charges as he finds necessary, including service charges and appraisal, inspection, and other fees.

"(4) The amount of the loan may not exceed—

"(A) in the case of residential property, the amount of a loan which could be insured by the Federal Housing Commissioner under section 220(h) of the National Housing Act: *Provided*, That, within the limitations otherwise applicable on the amount of a loan under such section, the loan may exceed the cost of rehabilitation in order to include an amount approved by the Administrator to refinance existing indebtedness secured by such property if such refinancing is necessary to enable the applicant to amortize, with a monthly payment of not more than 20 per centum of his average monthly income, such loan and any other indebtedness secured by his property; and

"(B) in the case of nonresidential property, whichever of the following is the least: \$50,000, or the cost of rehabilitation, or an amount which when added to any outstanding indebtedness related to the property securing the loan creates a total outstanding indebtedness that the Administrator determines could be reasonably secured by a first mortgage on the property.

"(5) A loan shall be secured as determined by the Administrator.

"(d) There is authorized to be appropriated not to exceed \$50,000,000 which shall

constitute a revolving fund to be used by the Administrator in carrying out this section.

"(e) In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Administrator shall have (in addition to any authority otherwise vested in him) the functions, powers, and duties set forth in section 402 of the Housing Act of 1950 (except subsection (c)(2)).

"(f) The Administrator is authorized to delegate to or use as his agent any Federal or local public or private agency or organization to the extent he determines appropriate and desirable to carry out the objectives of this section in the area involved.

"(g) The Administrator is authorized to issue such rules and regulations and impose such requirements and conditions (in addition to those specified in this section) as he determines to be desirable to carry out the objectives of this section, including limitations on the amount of a loan and restrictions on the use of the property involved.

"Urban renewal demonstration program"

"SEC. 313. Section 314 of the Housing Act of 1954 is amended—

"(1) by inserting '(a)' after '314.' at the beginning of the section;

"(2) by inserting before the period at the end of the second sentence the following: ', but such a grant may in addition cover the full cost of writing and publishing the reports on such activities and undertakings';

"(3) by inserting 'activities and' before 'undertakings' in the third sentence;

"(4) by striking out the fourth and fifth sentences; and

"(5) by adding at the end thereof the following new subsections:

"(b) The Administrator is further authorized to pay for the cost of (1) writing and publishing reports on activities and undertakings financed by grants made under this section, as well as reports on similar activities and undertakings, not so financed, which are of significant value in furthering the purposes of this section, and (2) writing and publishing summaries and other informational material on such reports.

"(c) The aggregate amount of grants made under subsection (a), and other costs incurred pursuant to subsection (b), shall not exceed \$10,000,000 and shall be payable from the grant funds provided under and authorized by section 103(b) of the Housing Act of 1949. The Administrator may make advance or progress payments on account of any contract entered into pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended."

"Urban and regional planning grants"

"SEC. 314. (a) Section 701(a) of the Housing Act of 1954 is amended by striking out 'resulting from rapid urbanization' in clause (B) of paragraph (1).

"(b) Section 701(a) of such Act is further amended by—

"(1) striking out 'and' at the end of paragraph (4);

"(2) striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and

"(3) adding two new paragraphs after paragraph (5) as follows:

"(6) metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1) of this subsection;

"(7) to official governmental planning agencies for any area where there has oc-

curring a substantial reduction in employment opportunities as the result of (A) the closing (in whole or in part) of a Federal installation, or (B) a decline in the volume of Government orders for the procurement of articles or materials produced or manufactured in such area; and'.

"(c) Section 701(a) of such Act is further amended by striking out '(a)' after 'section 5' in paragraph (3).

"(d) Section 701(b) of such Act is amended by striking out the proviso in the first sentence and inserting in lieu thereof: *Provided*, That such a grant may be in an amount not exceeding three-fourths of such estimated cost to an official governmental planning agency for an area described in subsection (a) (7), or for planning being carried out for a city, other municipality, county, group of adjacent communities, or Indian reservation in an area designated by the Secretary of Commerce as a redevelopment area under section 5 of the Area Redevelopment Act'.

"Planning grants for Indian reservations"

"SEC. 315. (a) Section 701(a) of the Housing Act of 1954 is amended by—

"(1) striking out 'and' at the end of clause (B) of paragraph (1);

"(2) inserting ', and (D) Indian reservations' before the semicolon at the end of paragraph (1); and

"(3) inserting a new paragraph after paragraph (7) (added by section (b)) as follows:

"(8) tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning for an Indian reservation to which no State planning agency or other agency or instrumentality is empowered to provide planning assistance under clause (D) of paragraph (1) above."

"(b) Section 701(d) of such Act is amended by—

"(1) striking out 'and urban regions' in the first sentence and inserting in lieu thereof 'urban regions, and Indian reservations'; and

"(2) inserting after 'instrumentalities' in the second sentence the following: ', and to Indian tribal bodies.'

"Eligibility of counties for planning assistance"

"SEC. 316. Section 701(a) of the Housing Act of 1954 is amended by striking out clause (A) of paragraph (1) and inserting in lieu thereof the following: '(A) cities and other municipalities having a population of less than 50,000 according to the latest decennial census, and counties without regard to population: *Provided*, That grants shall be made under this paragraph for planning assistance to counties having a population of 50,000 or more, according to the latest decennial census, which are within metropolitan areas, only if (i) the Administrator finds that planning and plans for such county will be coordinated with the program of comprehensive planning, if any, which is being carried out for the metropolitan area of which the county is a part, and (ii) the aggregate amount of the grants made subject to this proviso does not exceed 15 per centum of the aggregate amount appropriated, after the date of enactment of the Housing Act of 1964, for the purposes of this section.'

"Planning grant authorization"

"SEC. 317. Section 701(b) of the Housing Act of 1954 is amended by striking out '\$75,000,000' in the last sentence and inserting in lieu thereof '\$105,000,000'.

"Planning problems resulting from Chamizal Treaty of 1963"

"SEC. 318. Notwithstanding the provisions of section 701 of the Housing Act of 1954 with respect to the eligibility of a city for a grant thereunder, the Housing and Home Finance Administrator is authorized to make planning grants to the city of El Paso, Texas,

for the purpose of assisting it to solve those urban planning problems that have resulted or are expected to result from the Chamizal Treaty of 1963 between the United States of America and the Republic of Mexico. Any such grants shall be subject to all other conditions and requirements contained in such section 701.

"Small Business Administration loans"

"SEC. 319. Section 7(b)(3) of the Small Business Act is amended by inserting before the period at the end thereof the following: ', and the purposes of a loan made pursuant to this paragraph may, in the discretion of the Administration, include the purchase or construction of other premises whether or not the borrower owned the premises from which it was displaced'.

"TITLE IV—HOUSING FOR LOW-INCOME FAMILIES"

"Eligibility of displaced individuals"

"SEC. 401. (a) Section 2(2) of the United States Housing Act of 1937 is amended to read as follows:

"(2) The term 'families of low income' means families (including elderly and displaced families) who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term 'families' includes families consisting of a single person in the case of elderly families and displaced families, and includes the remaining member of a tenant family. The term 'elderly families' means families whose heads (or their spouses), or whose sole members, have attained the age at which an individual may elect to receive an old age benefit under title II of the Social Security Act, or who are under a disability as defined in section 223 of that Act. The term 'displaced families' means families displaced by urban renewal or other governmental action."

"(b) Section 10(g)(2) of such Act is amended by—

"(1) striking out 'those displaced by urban renewal or other governmental action' and inserting in lieu thereof 'displaced families'; and

"(2) striking out 'and' at the end thereof and inserting in lieu thereof the following: '. *Provided*, That in establishing such admission policies the public housing agency shall accord to families of low income such priority over single persons as it determines to be necessary to avoid undue hardship; and'.

"(c) Section 15(7)(b) of such Act is amended by striking out 'family displaced by urban renewal or other governmental action' and inserting in lieu thereof 'displaced family'.

"Additional subsidy for urban renewal and low-rent housing displacees"

"SEC. 402. The first proviso in section 10(a) of the United States Housing Act of 1937 is amended to read as follows: ': *Provided*, That the Authority may, in addition to the payments guaranteed under the contract, pay not to exceed \$120 per annum per dwelling unit occupied by an elderly family, or a displaced family if such family was displaced by an urban renewal or low-rent housing project on or after January 27, 1964, on the last day of the project fiscal year where such amount, in the determination of the Authority, was necessary to enable the public housing agency to lease the dwelling unit to an elderly or displaced family at a rental it could afford and to operate the project on a solvent basis, and, in the case of displaced by an urban renewal or low-rent housing the average or estimated average rental for units so occupied by such families was less than the rental which the Authority determines, on the basis of the average or estimated average project rentals, would

have been established in leasing the units to families which were neither elderly nor similarly displaced'.

"Increase in authorization for annual contributions"

"SEC. 403. Section 10(e) of the United States Housing Act of 1937 is amended by striking out '\$336,000,000' and inserting in lieu thereof '\$366,250,000'.

"Payments in lieu of taxes by local housing authorities; local contributions"

"SEC. 404. Section 10(h) of the United States Housing Act of 1937 is amended by striking out all that follows the first colon and inserting in lieu thereof the following: '*Provided*, That, with respect to any such project which is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, such contract shall provide, in lieu of the requirement for tax exemption and payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivisions in which such project is situated shall contribute, in the form of cash or tax remission, the amount by which the taxes paid with respect to the project exceed 10 per centum of the annual shelter rents charged in such project: *Provided further*, That, prior to execution of the contract for annual contributions the public housing agency shall, in the case of a tax-exempt project, notify the governing body of the locality of its estimate of the annual amount of such payments in lieu of taxes and of the amount of taxes which would be levied if the property were privately owned, or, in the case where the project is taxed, its estimate of the annual amount of the local cash contribution, and shall thereafter include the actual amounts of such payments or contributions in its annual report. Contracts for annual contributions entered into prior to the effective date of the Housing Act of 1964 may be amended in accordance with the first sentence of this subsection.'

"Relocation of families and individuals displaced from project sites"

"SEC. 405. (a) Section 15(7)(b) of the United States Housing Act of 1937 is amended by striking out 'and' before '(ii)', and by inserting before the period at the end thereof the following: ', and (iii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a feasible method for the temporary relocation of the individuals and families displaced from the project site, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of such individuals and families, decent, safe, and sanitary dwellings equal in number to the number of and available to such individuals and families and reasonably accessible to their places of employment'.

"(b) The amendments made by subsection (a) shall not be applicable to any project for which an application for preliminary loan has been approved by the local governing body prior to the date of the enactment of this Act.

"Relocation payments"

"SEC. 406. Section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(8) The Authority may authorize the cost of relocation payments made by public housing agencies to be included with the development or acquisition cost of any project for purposes of determining the amount of loans and annual contributions authorized to be made with respect to such project under sections 9 and 10, but such costs shall be separately stated as relocation costs. For purposes of this paragraph, a 'relocation pay-

ment' is a payment (i) which is made to an individual, family, business concern, or non-profit organization displaced on or after January 27, 1964, from a low-rent housing project site as a result of the acquisition of real property by a public housing agency (ii) which is not otherwise authorized under any Federal law, and (iii) which is made only on such terms and conditions, and subject to such limitations, as are authorized (as of the time such payment is approved) under section 114 (b) or (c) of the Housing Act of 1949 for relocation payments made to individuals, families, business concerns, or non-profit organizations, as the case may be.

"Low-income housing demonstration program authorization"

"SEC. 407. Section 207 of the Housing Act of 1961 is amended by striking out '\$5,000,000' and inserting in lieu thereof '\$10,000,000'.

"TITLE V—RURAL HOUSING"

"Extension of rural housing programs"

"SEC. 501. (a) The second sentence of section 511 of the Housing Act of 1949 is amended by—

"(1) striking out 'June 30, 1965' and inserting in lieu thereof 'September 30, 1965'; and

"(2) striking out '\$700,000,000' and inserting in lieu thereof '\$850,000,000'.

"(b) Section 512 of such Act is amended by striking out 'June 30, 1965' and inserting in lieu thereof 'September 30, 1965'.

"(c) Section 513 of such Act is amended by striking out 'June 30, 1965' each place it appears, and inserting in lieu thereof 'September 30, 1965'.

"(d) Section 515(b) of such Act is amended by—

"(1) striking out '\$100,000' in clause (1) and inserting in lieu thereof '\$300,000'; and

"(2) striking out '1964' in clause (5) and inserting in lieu thereof '1965'.

"Definition of domestic farm labor"

"SEC. 502. Section 514(f)(3) of the Housing Act of 1949 is amended to read as follows:

"(3) the term 'domestic farm labor' means persons who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States and either (A) are citizens of the United States or (B) reside in the United States after being legally admitted for permanent residence therein."

"Low-rent housing for domestic farm labor"

"SEC. 503. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"Financial assistance to provide low-rent housing for domestic farm labor"

"SEC. 516. (a) Upon the application of any State or political subdivision thereof, or any public or private nonprofit organization, the Secretary is authorized to provide financial assistance for the provision of low-rent housing and related facilities for domestic farm labor, if he find that—

"(1) the housing and related facilities for which financial assistance is requested will fulfill a pressing need in the area in which such housing and facilities will be located, and there is reasonable doubt that the same can be provided without financial assistance under this section;

"(2) the applicant will contribute, from its own resources or from funds borrowed under section 514 or elsewhere, at least one-third of the total development cost;

"(3) the types of housing and related facilities to be provided are most practical, giving due consideration to the purposes to be served thereby and the needs of the occupants thereof; and

"(4) the construction will be undertaken in an economical manner, and the housing and related facilities will not be of elaborate or extravagant design or material.

"(b) The amount of any financial assistance provided under this section for low-rent housing and related facilities shall not exceed two-thirds of the total development cost thereof, as determined by the Secretary, less such amount as the Secretary determines can be practically obtained from other sources (including a loan under section 514).

"(c) No financial assistance for low-rent housing and related facilities shall be made available under this section unless, to any extent and for any periods required by the Secretary, the applicant agrees—

"(1) that the rentals charged domestic farm labor shall not exceed such amounts as may be approved by the Secretary, giving due consideration to the income and earning capacity of the tenants, and the necessary costs of operating and maintaining such housing;

"(2) that such housing shall be maintained at all times in a safe and sanitary condition in accordance with such standards as may be prescribed by State or local law, or, in the absence of such standards, in accordance with such minimum requirements as the Secretary shall prescribe; and

"(3) an absolute priority will be given at all times in granting occupancy of such housing and facilities to domestic farm labor.

"(d) The Secretary may make payments pursuant to any contract for financial assistance under this section at such times and in such manner as may be specified in the contract. In each contract, the Secretary shall include such covenants, conditions, or provisions as he deems necessary to insure that the housing and related facilities, for which financial assistance is made available, be used only in conformity with the provisions of this section.

"(e) The Secretary shall prescribe regulations to insure that Federal funds expended under this section are not wasted or dissipated.

"(f) All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary which are undertaken by approved applicants under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary shall not extend any financial assistance under this section for any project without first obtaining adequate assurance that these labor standards will be maintained on the construction work; except that compliance with such standards may be waived by the Secretary in cases or classes of cases where laborers or mechanics, not otherwise employed at any time on the project, voluntarily donate their services without compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts thereby saved are fully credited to the person, corporation, association, organization, or other entity undertaking the project. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 1332-15), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"(g) As used in this section—

"(1) the term 'low-rent housing' means rental housing within the financial reach of families of low income consisting of (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement;

"(2) the terms 'related facilities' and 'domestic farm labor' shall have the meaning assigned to them in section 514(f); and

"(3) the term 'development cost' shall have the meaning assigned to it in section 515(d)(4)."

"(b) Section 513 of such Act is amended by redesignating clauses '(c)' and '(d)' as clauses '(d)' and '(e)', respectively, and by inserting after the semicolon at the end of clause (b) the following: '(c) not to exceed \$10,000,000 for financial assistance pursuant to section 516 for the period ending September 30, 1965'.

"(c) Section 506(a) of such Act is amended by striking out 'sections 514 and 515', each place it appears, and inserting in lieu thereof 'sections 514-516'.

"TITLE VI—COMMUNITY FACILITIES"

"Public facility loans"

"SEC. 601. (a) Section 202(a) of the Housing Amendments of 1955 is amended by striking out in clause (1) of the first sentence 'instrumentalities of States' and inserting in lieu thereof 'instrumentalities of one or more States', and by striking out 'in the same State' and inserting in lieu thereof 'of one or more States'.

"(b) Section 202(b)(4) of such Amendments is amended by—

"(1) striking out 'the second sentence of section 5(a) of the Area Redevelopment Act' and inserting in lieu thereof 'section 5 of the Area Redevelopment Act'; and

"(2) inserting '(A)' before 'to any municipality' in the first sentence, and by striking out everything following the phrase 'most recent decennial census, or' in that sentence and inserting in lieu thereof the following: '(B) to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States, unless each municipality, political subdivision, or unincorporated area to be served by the specific public work or facility for which assistance is sought under this section has a population less than the applicable figure under clause (A) according to such census.'"

"Advances for Public Works Planning"

"SEC. 602. (a) Section 702(e) of the Housing Act of 1954 is amended to read as follows:

"(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances (and claims in connection with advances) outstanding as of such date, under title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-2). There are authorized to be appropriated to such revolving fund, in addition to amounts authorized to be appropriated for the purposes of this section prior to the date of the enactment of the Housing Act of 1964, such sums, not to exceed \$20,000,000, as may be necessary to carry out the purposes of this section."

"(b) Section 702 of such Act is further amended by adding at the end thereof the following new subsection:

"(h)(1) Notwithstanding any other provision of law, if a public agency or Indian tribe undertakes to construct only a portion of a public work planned with an advance under this section, under title V of the War Mobilization and Reconversion Act of 1944, or under the Act of October 13, 1949, it shall repay only such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable.

"(2) The Administrator is authorized to terminate, upon such terms and conditions as he shall deem equitable, all or a portion of the liability for repayment of any advance made under this section, title V of the War Mobilization and Reconversion Act of 1944, or the Act of October 13, 1949. Whenever the Administrator determines that there is no reasonable likelihood that the public work, or a portion of the public work, planned with such advance will be constructed, he may terminate the agreement for the advance. Such determination shall be conclusive and shall be based on standards prescribed by regulations to be issued by the Administrator."

"(c) Section 702 of such Act is further amended—

"(1) by striking out 'public agencies' wherever that term appears in subsection (a) and inserting in lieu thereof 'public agencies and Indian tribes';

"(2) by striking out 'public agency' in clause (3) of subsection (b) and inserting in lieu thereof 'public agency or Indian tribe';

"(3) by striking out 'to any public agency' and 'by the public agency' in subsection (c) and inserting in lieu thereof 'to any public agency or Indian tribe' and 'by the public agency or Indian tribe', respectively, and by striking out 'by such agency' in such subsection and inserting in lieu thereof 'by such agency or tribe'; and

"(4) by striking out 'That if' and all that follows down through 'And provided further,' in subsection (c).

"(d) Section 702(f) of such Act is amended by striking out '\$50,000' and inserting in lieu thereof '\$100,000'.

"(e) Section 702(a) of such Act is amended by inserting immediately before the first colon the following: ', including, in the case of public works to be constructed in connection with the development of a medical center, a general plan for the development of such center'.

"(f) Section 702(b) of such Act is amended by striking out the last sentence.

"TITLE VII—FEDERAL NATIONAL MORTGAGE ASSOCIATION

"Pooling of mortgages for sale

"SEC. 701. (a) Section 302 of the National Housing Act is amended by adding at the end thereof a new subsection as follows:

"(c) Notwithstanding any other provision of this Act or of any other law, the Association is authorized under section 306 to create, accept, execute, and otherwise administer in all respects such trusts, receiver-ships, conservatorships, liquidating or other agencies, or other fiduciary and representative undertakings and activities as might be appropriate for financing purposes; and in relation thereto the Association may require, hold and manage, dispose of, and otherwise deal in any first mortgages in which the United States or any agency or instrumentality thereof may have a financial interest. The Association may join in any such undertakings and activities notwithstanding that it is also serving in a fiduciary or representative capacity; and is authorized, consistent with section 307, to guarantee any participations or other instruments, whether evidence of property rights or debt, issued for such financing purposes. Any participations or other instruments so guaranteed shall to the same extent as securities issued or guaranteed by the United States or its instrumentalities be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission. The amounts of any mortgages acquired by the Association under section 306, pursuant to this subsection, shall not be included in the total amounts set forth in section 306(c)."

"(b)(1) Section 311 of such Act is amended by inserting after 'obligations' the following: ', participations, or other instruments'.

"(2) Sections 304(b) and 306(b) of such Act are amended respectively by striking out 'or obligations which are lawful investments' and inserting in lieu thereof 'or obligations, participations, or other instruments which are lawful investments'.

"(3) Section 310 of such Act is amended by striking out 'or in obligations which are lawful investments' and inserting in lieu thereof 'or in obligations, participations, or other instruments which are lawful investments'.

"(c) The penultimate sentence of paragraph Seventh of section 5136 of the Revised Statutes is amended by striking out 'or obligations of the Federal National Mortgage Association' and inserting in lieu thereof 'or obligations, participations, or other instruments of or issued by the Federal National Mortgage Association'.

"(d) (1) Section 11(h) of the Federal Home Loan Bank Act is amended by striking out 'in obligations of the Federal National Mortgage Association' and inserting in lieu thereof 'in obligations, participations, or other instruments of or issued by the Federal National Mortgage Association'.

"(2) The last sentence of section 16 of such Act is amended by striking out 'in obligations of the Federal National Mortgage Association' and inserting in lieu thereof 'in obligations, participations, or other instruments of or issued by the Federal National Mortgage Association'.

"(e) (1) Section 1820 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) (1) The Administrator is authorized from time to time, as he determines advisable, to set aside first mortgage loans, and installment sale contracts, owned and held by him under this chapter as the basis for the sale of participation certificates as herein provided. For this purpose the Administrator may enter into agreements, including trust agreements, with the Federal National Mortgage Association, and any other Federal agency, under which the Association as fiduciary may sell certificates of participation based on principal and interest collections to be received by the Administrator and the Association or any other such agency on first mortgage loans and installment sale contracts comprising mortgage pools established by them. The agreement may provide for substitution or withdrawal of mortgage loans, or installment sale contracts, or for substitution of cash for mortgages in the pool. The agreement shall provide that the Federal National Mortgage Association shall promptly pay to the Administrator the entire proceeds of any sale of certificates of participation to the extent such certificates are based on mortgages, including installment sale contracts, set aside by the Administrator and he shall periodically pay to the Association, as fiduciary, such funds as are required for payment of interest and principal due on outstanding certificates of participation to the extent of the pro rata amount allocated to the Administrator pursuant to the agreement. The agreement shall also provide that the Administrator shall retain ownership of mortgage loans and installment sale contracts set aside by him pursuant to the agreement unless transfer of ownership to the fiduciary is required in the event of default or probable default in the payment of participation certificates. The Administrator is authorized to purchase outstanding certificates of participation to the extent of the amount of his commitment to the fiduciary on participations outstanding and to pay his proper share of the costs and expenses incurred by the Federal National Mortgage Association as fiduciary pursuant to the agreement.

"(2) The Administrator shall proportionately allocate and deposit the entire proceeds received from the sale of participations into the funds established pursuant to sections 1823 and 1824 of this chapter, as determined on an estimated basis, and the amounts so deposited shall be available for the purposes of the funds. The Administrator may nevertheless make such allocations of that part of the proceeds of participation sales representing anticipated interest collections on mortgage loans, including installment sale contracts, on other than an estimated proportionate basis if determined necessary to assure payment of interest on advances theretofore made to the Administrator by the Secretary of the Treasury for direct loan purposes. The Administrator shall set aside and maintain necessary reserves in the funds established pursuant to sections 1823 and 1824 of this chapter to be used for meeting commitments pursuant to this subsection and, as he determines to be necessary, for meeting interest payments on advances by the Secretary of the Treasury for direct loan purposes."

"(2) Section 1823 of title 38, United States Code, is amended by—

"(1) inserting before the period at the end of the last sentence of subsection (a) the following: ', and a reasonable reserve for meeting commitments pursuant to subsection 1820(e) of this title'; and

"(2) inserting before the period at the end of the last sentence of subsection (c) the following: 'and for the purposes of meeting commitments under subsection 1820(e) of this title'.

"FNMA—Removal of \$20,000 Mortgage Amount Limitation

"SEC. 702. Section 302(b) of the National Housing Act is amended—

"(1) by striking out 'any mortgage' in clause (3) and inserting in lieu thereof 'any mortgage under section 305'; and

"(2) by striking out the proviso in clause (3).

"FNMA—Ninety Per Centum Loans

"SEC. 703. Section 304(a)(2) of the National Housing Act is amended by striking out '80 per centum' and inserting in lieu thereof '90 per centum'.

"FNMA—Purchase of participations

"SEC. 704. Section 304(d) of the National Housing Act is hereby repealed.

"TITLE VIII—TRAINING AND FELLOWSHIP PROGRAMS

"PART 1—FEDERAL-STATE TRAINING PROGRAMS "Findings and purpose

"SEC. 801. (a) The Congress finds that the rapid expansion of the Nation's urban areas and urban population has caused severe problems in urban and suburban development and created a national need to (1) provide special training in skills needed for economic and efficient community development and (2) support research in new or improved methods of dealing with community development problems.

"(b) It is the purpose of this part to assist and encourage the States, in cooperation with public or private universities and colleges and urban centers, to (1) organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are training to be, employed by a governmental or public body which has responsibilities for community development; and (2) support State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems.

Matching grants to States

"SEC. 802. (a) Subject to the provisions of this part and in accordance with regulations prescribed by him, the Administrator may make matching grants to States to assist in—

"(1) organizing, initiating, developing, or expanding programs to provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are training to be, employed by a governmental or public body which has responsibilities for community development; and

"(2) supporting State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems, and collecting, collating, and publishing statistics and information relating to such research.

"(b) No grants may be made to a State under this part unless the Administrator has approved a plan for the State which—

"(1) sets forth the proposed use of the funds and the objectives to be accomplished;

"(2) explains the method by which the required amounts from non-Federal sources will be obtained;

"(3) provides such fiscal control and fund accounting procedures as may be reasonably necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this part;

"(4) designates an officer or agency of the State government who has responsibility and authority for the administration of a statewide research and training program as the officer or agency with responsibility and authority for the execution of the State program under this part; and

"(5) provides that such officer or agency will make such reports to the Administrator, in such form, and containing such information, as may be reasonably necessary to enable the Administrator to perform his duties under this part.

"(c) No grant may be made under this part for any use unless an amount at least equal to such grant is made available from non-Federal sources for the same purposes and for concurrent use.

"(d) There is authorized to be appropriated for grants under this part, without fiscal year limitation, not to exceed \$10,000,000.

State limit

"SEC. 803. Not more than 10 per centum of the total amount authorized to be appropriated by section 802(d) may be used for making grants to any one State.

Technical assistance, studies, and publication of information

"SEC. 804. In order to carry out the purpose of this part, the Administrator is authorized to provide technical assistance to State and local governmental or public bodies and to undertake such studies and publish and distribute such information, either directly or by contract, as he shall determine to be desirable. Nothing contained in this part shall limit any authority of the Administrator under any other provision of law.

Miscellaneous

"SEC. 805. (a) As used in this part, the term 'State' means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands; and the term 'Administrator' means the Housing and Home Finance Administrator.

"(b) There are authorized to be appropriated such sums as may be necessary for administrative and other expenses in carrying out this part.

PART 2—FELLOWSHIPS FOR CITY PLANNING AND URBAN STUDIES

"SEC. 810. (a) There is hereby authorized to be appropriated not to exceed \$500,000 an-

nually, for a three-year period commencing on July 1, 1964, to be used by the Housing and Home Finance Administrator for the purpose of providing fellowships for the graduate training of professional city planning and urban and housing technicians and specialists as herein provided. Persons shall be selected for such fellowships solely on the basis of ability and upon the recommendation of the Urban Studies Fellowship Advisory Board established pursuant to subsection (b). Fellowships shall be solely for training in public and private nonprofit institutions of higher education having programs of graduate study in the field of city planning or in related fields (including architecture, civil engineering, economics, municipal finance, public administration, and sociology), which programs are oriented to training for careers in city and regional planning, housing, urban renewal, and community development.

"(b) There is hereby established the Urban Studies Fellowship Advisory Board (hereinafter referred to as the 'Board'), which shall consist of nine members to be appointed by the Housing and Home Finance Administrator as follows: Three from public institutions of higher learning, and three from private nonprofit institutions of higher education, who are the heads of departments which provide academic courses appropriately related to the fields referred to in subsection (a), and three from national organizations which are directly concerned with problems relating to urban, regional, and community development. The Board shall meet upon the request of the Administrator and shall make recommendations to him with respect to persons to be selected for fellowships under this section. Members of the Board shall be entitled to receive transportation expenses and a per diem in lieu of subsistence as authorized for members of advisory committees created pursuant to section 601 of the Housing Act of 1949.

TITLE IX—SAVINGS AND LOAN ASSOCIATIONS

"SEC. 901. (a) The first sentence of section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out 'fifty miles' and inserting in lieu thereof 'one hundred miles'.

"(b) The third sentence of section 403(b) of the National Housing Act is amended by striking out all that precedes the first semicolon and inserting in lieu thereof the following: 'Each applicant for such insurance shall also file with its application an agreement that during the period that the insurance is in force it will not make any loans beyond one hundred miles from its principal office, except (1) loans in the area beyond such one-hundred-mile limit in which it was operating prior to June 27, 1934, and (2) loans which are made pursuant to regulations of the Corporation: *Provided*, That such agreement shall further provide that any loan made beyond fifty miles from the applicant's principal office (and outside the territory in which it was operating on such date) shall also be subject to such regulations'.

"SEC. 902. The first proviso in section 5(c) of the Home Owners' Loan Act of 1933 is amended—

"(1) by striking out '\$35,000' and inserting in lieu thereof '\$40,000'; and

"(2) by striking out ', except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association'.

"SEC. 903. The next to last paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows:

"'Without regard to any other provision of this subsection, any such association is authorized to invest not more than 5 per centum of its assets in, or in interests in, real property located within urban renewal areas as defined in subsection (a) of section 110 of the Housing Act of 1949 and obligations secured by first liens on real

property so located, but no investment shall be made by an association under this sentence in real property or any interest therein if the aggregate investment of the association under this sentence in real property and interests therein, determined as prescribed by the Board, would thereupon exceed 2 per centum of the assets of the association.'

"SEC. 904. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof a new paragraph as follows:

"'For the purpose of this section the terms "real property" and "real estate" shall include a leasehold or subleasehold estate in real property under a lease or sublease the term of which does not expire, or which is renewable automatically or at the option of the holder (or at the option of the association) so as not to expire, for at least fifteen years beyond the maturity of the debt.'

"SEC. 905. Section 5(c) of the Home Owners' Loan Act of 1933 is further amended by adding at the end thereof (after the paragraph added by section 804 of this Act) the following new paragraph:

"'Any such association is authorized to invest in the capital stock, obligations, or other securities of any corporation organized under the laws of the State, District, Commonwealth, territory, or possession in which the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of that State, District, Commonwealth, territory, or possession and by Federal savings and loan associations having their home offices therein, but no association may make any investment under this sentence if its aggregate outstanding investment under this sentence, determined as prescribed by the Board, would thereupon exceed 1 per centum of its assets.'

"SEC. 906. Section 10(b) of the Federal Home Loan Bank Act is amended—

"(1) by striking out 'twenty-five' in clause (1) and inserting in lieu thereof 'thirty', and

"(2) by striking out '\$35,000' in clause (2) and inserting in lieu thereof '\$40,000'.

"SEC. 907. The second proviso in the first paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows: '*And provided further*, That any portion of the assets of such associations may be invested in obligations of, or fully guaranteed as to principal and interest by, the United States, or in the stock or bonds of a Federal Home Loan Bank, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association or any other agency of the United States; or in general obligations of any State or of any political subdivision thereof; and as used in this proviso the term "State" shall include the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States'.

"SEC. 908. The first sentence of the second paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows: 'Without regard to any other provision of this subsection except the area requirement, any such association is authorized to invest a sum not in excess of 20 per centum of the assets of such association in loans insured under title I of the National Housing Act, in home improvement loans insured under title II of the National Housing Act, in unsecured loans insured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as amended, or chapter 37 of title 38 of the United States Code, and in other loans for property alteration, repair, or improvement: *Provided*, That no such loan, unless so insured or guaranteed, shall be made in excess of \$5,000.'

"SEC. 909. Title IV of the National Housing Act is amended by adding at the end thereof the following new section:

"Investment of certain funds in accounts of insured institutions

"SEC. 409. The savings accounts and share accounts held by institutions insured by the Corporation, to the extent they are insured by the Corporation, shall be lawful investments and may be accepted as security for all public funds of the United States, fiduciary and trust funds under the authority or control of the United States or any officer or officers thereof, and for the funds of all corporations organized under the laws of the United States (subject to any regulatory authority otherwise applicable), regardless of any limitation of law upon the investment of any such funds or upon the acceptance of security for the investment or deposit of any of such funds."

"SEC. 910. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by inserting after the second paragraph the following new paragraph:

"Without regard to any other provision of this subsection, any such association is authorized to invest in loans, obligations, and advances of credit (all of which are hereinafter referred to as "loans") made for the payment of expenses of college or university education, but no association shall make any investment in loans under this paragraph if the principal amount of its investment in such loans, exclusive of any investment which is or which at the time of its making was otherwise authorized, would thereupon exceed 5 per centum of its assets."

"TITLE X—MISCELLANEOUS

"Open-space program—Grant authorization

"SEC. 1001. Section 702(b) of the Housing Act of 1961 is amended—

"(1) by striking out '\$50,000,000' and inserting in lieu thereof '\$75,000,000'; and

"(2) by adding at the end thereof the following: 'All funds so appropriated shall remain available until expended.'"

"College housing

"SEC. 1002. The second paragraph of section 404(b) of the Housing Act of 1950 is amended by striking out the period and inserting in lieu thereof the following: "Provided, That where the law of any State in effect on the date of enactment of the Housing Act of 1964 prevents the institution or institutions, for whose students or students and faculty the housing is to be provided, from cosigning the note, the Administrator shall require the corporation and the proposed project to be approved by such institution (or by any one or more of such institutions) in lieu of such cosigning."

"Acquisition of certain housing by Secretary of Defense

"SEC. 1003. The first sentence of section 404(a) of the Housing Amendments of 1955 is amended by inserting before the period at the end thereof the following: ', or (3) any housing situated on or adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) considered by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 608 of the National Housing Act, including adjacent property constructed primarily to provide commercial facilities for the occupants of such housing'."

"Real estate loans by national banks

"SEC. 1004. Clause (3) of the third sentence of the first paragraph of section 24 of the Federal Reserve Act is amended to read as follows: '(3) any such loan may be made in an amount not to exceed 80 per centum of the appraised value of the real estate offered as security and for a term not longer than

twenty-five years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the entire principal of the loan within the period ending on the date of its maturity, and'."

"Forest Hills project in Paducah, Kentucky

"SEC. 1005. The Federal Housing Commissioner is authorized and directed to sell to the Paducah-McCracken County Development Council, Incorporated, of Paducah, Kentucky, for use as a public facility (including such use by the Paducah Junior College as may be deemed appropriate by such Council), and for a total price of \$1,000,000, all right, title, and interest of the United States in and to the housing project in Paducah known as Forest Hills (a project constructed under title VIII of the National Housing Act as in effect prior to August 11, 1955, and subsequently acquired by the Federal Housing Administration).

"Payment in lieu of taxes by Hawaii Housing Authority

"SEC. 1006. Notwithstanding the provisions of any other law or any contract or rule of law, the Public Housing Commissioner shall approve a payment in lieu of taxes to be made for the fiscal year ended June 30, 1959, in the amount of \$24,167.78, by the Hawaii Housing Authority to the city and county of Honolulu.

"Transfer of land for urban renewal purposes by Philadelphia Housing Authority

"SEC. 1007. (a) Notwithstanding the provisions of title I of the Housing Act of 1949 and the United States Housing Act of 1937, the Housing and Home Finance Administrator and the Public Housing Commissioner are authorized and directed to consent to the transfer by the Philadelphia Housing Authority to the Philadelphia Redevelopment Authority of all property acquired by the Housing Authority for low-rent housing project numbered Pennsylvania 2-51, on condition that (1) an amount which, together with any funds of the Housing Authority available for the purpose, is sufficient to pay and discharge all obligations incurred by the Housing Authority in connection with such low-rent housing project and owing at the time of transfer, will be paid by the Redevelopment Authority to the Public Housing Administration to be applied in satisfaction of the Housing Authority's obligations which it cannot meet with its own funds available for the purpose, and (2) the total amount so paid by the Redevelopment Authority will be included in the gross project cost of its Whitman urban renewal project, Pennsylvania R-35.

"(b) The Housing and Home Finance Administrator and the Public Housing Commissioner are authorized to modify any contracts heretofore entered into and to take any other appropriate action necessary to carry out the provisions of subsection (a).

"Eligibility of certain local grants-in-aid

"SEC. 1008. (a) Notwithstanding the date of the commencement of construction of the Fox Point hurricane dam in Providence, Rhode Island, local expenditures made in connection with such dam shall, to the extent otherwise eligible, be counted as a local grant-in-aid to the railroad relocation urban renewal project (Rhode Island R-8) in accordance with the provisions of title I of the Housing Act of 1949.

"(b) Notwithstanding the provisions of section 112(b) of the Housing Act of 1949, expenditures made by the Methodist Hospital of Central Illinois, and Saint Francis Hospital, Peoria, Illinois, for the purchase of two parcels of land on or about June 25 and July 28, 1956, for a price of not more than \$82,980, shall if otherwise eligible be counted as local grants-in-aid to the Peoria 'Medical Center' urban renewal project (Illinois R-

61) in accordance with the remaining provisions of title I of that Act."

And the House agree to the same.

WRIGHT PATMAN,
ALBERT RAINS,
ABRAHAM J. MULTER,
WM. A. BARRETT,
WILLIAM B. WIDNALL,
PAUL A. FINO,
FLORENCE P. DWYER,

Managers on the Part of the House.

JOHN SPARKMAN,
PAUL H. DOUGLAS,
JOSEPH S. CLARK,
HARRISON A. WILLIAMS, JR.,
EDMUND S. MUSKIE,
EDWARD V. LONG,
JOHN G. TOWER,
WALLACE F. BENNETT,
JACOB K. JAVITS,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3049) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the Senate bill and the House amendment. Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House amendment and the substitute agreed to in conference.

TITLE I—AMENDMENTS TO THE NATIONAL HOUSING ACT

Loan to value ratios

The House amendment contained a provision increasing loan to value ratios on FHA sales housing above \$15,000. No comparable provision was contained in the Senate bill. The conference substitute conforms to the Senate bill.

Maximum mortgage amounts on rental housing

Both the Senate bill and the House amendment contained provisions changing the computation of maximum mortgage amounts on rental housing under FHA from a per room to a per unit basis. These were identical except that the Senate bill authorized the FHA Commissioner to increase the maximum amounts by up to 45 percent in high cost areas, while the House amendment provided for increases up to 30 percent. The conference substitute conforms to the Senate bill.

Term of lease

The House amendment contained a provision authorizing home improvement loans (secs. 203(k) and 220(h)) on leaseholds if the term of the lease ran for more than 5 years beyond the term of the loan. No comparable provision was contained in the Senate bill and the conference substitute requires that the lease run more than 10 years beyond the term of the loan.

Additional mortgagors permitted under FHA section 221(d)(3)

The Senate bill contained a provision not in the House amendment permitting the FHA Commissioner to approve regulated mortgagors, other than corporations as sponsors of section 221(d)(3) projects. The conference substitute contains the Senate provision.

Both the House amendment and the Senate bill contained provisions permitting real estate development and building organiza-

tions to be the initial mortgagor under section 221(d)(3) during the construction period, provided they had entered into contracts to sell the project to an eligible sponsor upon completion. The Senate bill further provided that the sponsor which purchased such a project must be a nonprofit organization and that the development organization would be limited to 90 percent of the amount otherwise authorized under section 221. The conference substitute conforms to the Senate bill.

Extension of section 221 mortgage insurance program

The Senate bill contained a provision not in the House amendment which would have extended the termination date of section 221 mortgage insurance for low and moderate cost sales and rental housing for three months from July 1, 1965, to October 1, 1965. The conference substitute contains this provision.

Mutuality for section 213 cooperative housing

The House amendment contained a provision which would have placed the FHA section 213 cooperative housing program on a mutual basis the same as FHA's basic section 203 sales housing program. There was no comparable provision in the Senate bill and there is none in the conference substitute.

The conference committee felt it did not have sufficient data on the status of the cooperative housing program to determine whether or not such mutuality would be advisable or workable at this time. However, it is the desire of the conferees that FHA establish a separate management insurance fund for type section 213 mortgage insurance operations.

Section 810 housing

The House amendment contained a provision authorizing 5,000 additional units of FHA-insured "off-base" military housing. No comparable provision was contained in the Senate bill and none is contained in the conference substitute.

Payment of insurance claims

The Senate bill contained a provision not in the House amendment to simplify FHA procedures on the payments of claims including the elimination of FHA's certificate of claim. The conference substitute contains the Senate provision.

Cash payment

The Senate bill contained a provision, not in the House amendment, authorizing cash payment instead of debentures for defaulted home improvement loans (sec. 203(k)) not in urban renewal areas. The conference substitute contains the Senate provision.

FHA title I claims

The Senate bill contained a provision not in the House amendment extending the 2-year statutory limitation on FHA demands for return by lenders of insurance benefits received on defaulted Title I loans claims which were certified for payment prior to December 31, 1957 (now applicable to claims certified after that date). The conference substitute contains the Senate provision.

Correction of defects

The Senate bill contained a provision, not in the House amendment, authorizing FHA to correct substantial defects in homes built under FHA inspection if the builder does not provide relief. The conference substitute conforms to the Senate provision except that the new authority is not retroactive and also is applicable only in case of "structural defects."

Acquisition of multifamily projects in default

The Senate bill contained a provision not in the House amendment eliminating the requirement that FHA acquire or foreclose a multifamily project within one year of de-

fault of the mortgage. The conference substitute contains the Senate provision.

Waiver of premium

The conference substitute contains a provision in the House amendment, not in the Senate bill, waiving the FHA adjusted premium charge in cases where the mortgage is paid off by a nonprofit educational institution. It was the opinion of the conferees that this limited waiver should not become a precedent for other mortgagors.

Transfer of equity in FHA financed homes

The House bill contained a provision authorizing a homeowner who has an FHA loan and who is required to move to a new location to transfer his home to FHA and receive credit for his equity toward the purchase of an FHA-owned property in his new location. There was no comparable provision in the Senate bill and none is contained in the conference substitute. However, the members of the conference urge the agency to study the problem carefully to see whether a provision of this kind is workable.

TITLE II—HOUSING FOR THE ELDERLY AND HANDICAPPED

The conference substitute conforms to the House amendment.

TITLE III—URBAN RENEWAL

Capital grant authorization

The House amendment would have authorized an additional \$600 million for capital grants under the urban renewal program, while the Senate bill would have authorized \$850 million for this purpose. The conference substitute authorizes \$725 million.

Loan contracts

The Senate bill contained a provision not in the House amendment to authorize a single contract to provide temporary financing for all urban renewal projects in a community. The conference substitute contains the Senate provision.

Additional relocation payments

The Senate bill contained a provision which would have authorized the payment of up to \$2,500 to displaced small businesses. The House amendment would have authorized the payment of \$1,000. The conference substitute authorizes a \$1,500 payment upon displacement.

The Senate bill would have provided for partial rent payments over a 12-month period to displaced families and elderly individuals. The House amendment authorized the payment of rent or mortgage payments at new accommodations for 3 months not to exceed \$200. The conference substitute provides for payments for up to a 5-month period of up to \$500 on behalf of the displaced low- or moderate-income family or elderly individual to be applied to housing costs in the new quarters.

The committee wishes to point out that the new relocation payments to individuals for families are in the nature of a substitute for the housing cost which they must pay immediately after their displacement at a time when they are faced with many additional difficulties and expenses, and should not be considered as "income or resources" for purposes of applying the "needs" test under any of the public assistance programs in the Social Security Act.

The Senate bill contained a provision not in the House amendment authorizing the payment of certified actual moving expenses for outdoor advertising displays removed from an urban renewal area. The conference substitute includes the Senate provision.

Rehabilitation loans

The House amendment contained a provision not in the Senate bill authorizing a new program of low interest (3 percent) loans to rehabilitate homes and business firms in urban renewal areas. The Con-

ference substitute retains the House provision with an amendment extending the maximum maturity from 15 years to 20 years and permitting the refinancing of existing debt in connection with rehabilitation work on homes.

The rehabilitation loans can be made to tenants but the conferees expect that these loans will be made only where there is a long term lease.

The conference substitute authorizes the appropriation of \$50 million for these loans, the same amount originally approved by the House, and the conferees expect the Housing Administrator to seek the appropriation of the full amount authorized for this urgently needed program.

Tax abatement for FHA section 221(d)(3)

The House amendment contained a provision permitting any local realty tax abatement granted to a section 221(d)(3) housing project to be counted as a noncash local grant-in-aid for urban renewal projects in the community. There was no similar provision in the Senate bill and none is included in the conference substitute.

Projects involving air rights

The Senate bill contained a provision not in the House amendment authorizing urban renewal projects for the development of air rights sites for low and moderate income housing and related facilities. The conference substitute conforms to the Senate bill with an amendment limiting such projects to not more than 5 percent of the new capital grant authorization.

Interest rate on urban renewal loans

The Senate bill contained a provision not in the House amendment permitting the interest rate set for an urban renewal contract for loans or advances to apply not only to the amount originally authorized but also to additional amounts authorized by subsequent amendments to the contract. The conference substitute includes the Senate provision.

Urban planning grants in redevelopment areas

The Senate bill contained a provision not in the House amendment making a limited number of counties in areas which are designated under section 5(b) of the Area Redevelopment Act eligible for section 701 urban planning grants without regard to population and providing three-fourths (rather than two-thirds) grants to these areas. The conference substitute includes the Senate provision.

Closing of Federal installations

The Senate bill contained a provision not in the House amendment authorizing three-fourths planning grants in areas affected by the closing or reduction of a Federal installation. The conference substitute contained the Senate provision.

Planning problems resulting from treaties

The House amendment contained a provision authorizing urban planning grants to official government agencies in cities affected by treaties. The Senate bill contained a similar amendment which was restricted to problems in El Paso, Texas, arising from the Chamizal Treaty. The conference substitute conforms to the Senate bill.

TITLE IV—HOUSING FOR LOW INCOME FAMILIES *Eligibility of displaced individuals for low-rent public housing*

Both the House amendment and the Senate bill contained provisions making displaced single persons of low income eligible for occupancy in public housing, but the Senate included a further provision permitting the local housing authority to give a priority to families over such individuals. The conference substitute conforms to the Senate bill.

Public housing authorization

The House amendment contained a provision authorizing an increase of \$27 million in low-rent public housing annual contributions to permit the construction of an additional 35,000 units; the Senate bill would have authorized an increase of \$36 million to permit the construction of 45,000 units. The conference substitute would authorize an increase of \$30,250,000 to permit the construction of approximately 37,500 units, and cover the cost of the newly authorized relocation benefits.

TITLE V—RURAL HOUSING

Extension of programs

The Senate bill contained a provision not in the House amendment extending the expiration date of the rural housing programs contained in title V of the Housing Act of 1949 until September 30, 1965. The conference substitute contains the Senate provision.

Housing for the elderly

The Senate bill contained a provision not in the House amendment increasing the maximum amount of a loan insured under the rural housing for the elderly program from \$100,000 to \$300,000. The conference substitute contains the Senate provision.

Direct home loan program

The House amendment contained a provision setting a \$15,000 ceiling on direct loans under title V of the Housing Act of 1949. There was no comparable provision in the Senate bill and none is contained in the conference substitute.

Domestic farm labor

The Senate bill contained a provision not in the House amendment authorizing a new program of Federal grants of up to two-thirds of the cost of providing low-rent housing for domestic farm labor and authorizing an appropriation of \$10 million for this purpose. The conference substitute contains the Senate provision.

TITLE VI—COMMUNITY FACILITIES

Public facility loans

The Senate bill contained a provision not in the House amendment making a limited number of areas designated under section 5(b) of the Area Redevelopment Act eligible for public facility loans if their population does not exceed 150,000. The conference substitute contains the Senate provision.

Advance acquisition of land

The Senate bill contained a provision not in the House amendment authorizing public facility loans with deferred payment of principal and interest to finance acquisition of land to be used for public works and facilities. The Senate receded on this provision and it is not included in the conference substitute. However, the conferees wish to state that they feel that this proposal has much merit but deserves further study. It is the hope of the conferees that such further study will enable a perfected provision to be proposed in next year's bill.

TITLE VII—FEDERAL NATIONAL MORTGAGE ASSOCIATION

FNMA sale of participations

The Senate bill contained a provision not in the House amendment authorizing FNMA to sell beneficial interests or participations in respect to mortgages or interests therein held by government agencies. The conference substitute contains the Senate provision with an amendment restricting its application to first mortgages held by the government.

Secondary market

The Senate bill contained a provision not in the House amendment repealing the existing prohibition against purchase of par-

ticipations in mortgages under FNMA's secondary market program. The conference substitute contains the Senate provision.

TITLE VIII—TRAINING AND FELLOWSHIP PROGRAMS

City planning fellowships

The Senate bill contained a provision not in the House amendment authorizing appropriations of \$500,000 annually for three years to provide fellowships for graduate training of city planning and urban and housing technicians and specialists. The conference substitute contains the Senate provision.

TITLE IX—SAVINGS AND LOAN ASSOCIATIONS

Loans on leaseholds

The House amendment contained a provision permitting federal savings and loan associations to make loans on leaseholds extending 15 years beyond the maturity of the loan or such shorter period as the Federal Home Loan Bank Board may prescribe. The Senate bill had a similar provision except that it set the limit at 15 years or such longer period as the Board may prescribe. The conference substitute contains language requiring that the leasehold extend "at least 15 years" beyond the maturity of the debt.

Authority to invest in municipal bonds

The House amendment contained a provision authorizing federal savings and loan associations to invest in the obligations of any State, county, municipality, or political subdivision of a State, or any district, public instrumentality, or public authority. There is no comparable provision in the Senate bill. The conference substitute retains the House provision with an amendment eliminating obligations of public instrumentalities and public bodies and restricting the eligibility to general obligation bonds.

Investment of public funds

The House amendment contained a provision not in the Senate bill providing that the accounts insured by the Federal Savings and Loan Insurance Corporation shall be eligible as investments for public funds of the United States. The conference substitute retains the House provision with an amendment giving the Federal Home Loan Banks authority to restrict the investment of the funds of one savings and loan association in the accounts of another.

Urban renewal investment

Both the House amendment and the Senate bill contained identical provisions authorizing federal associations to invest up to 5 percent of assets in real property and obligations or interests in obligations secured by first liens on property located within an urban renewal area. It is the intention of the conferees that this new authority should be in addition to any provision in existing law and not be diminished by investments permissible under other powers contained in section 5(c) of the Home Owners Loan Act of 1933.

TITLE X—MISCELLANEOUS

Real estate loans by banks

The Senate bill contained a provision not in the House amendment raising the limits on real estate loans which can be made by national banks from 75 percent of value and a 20-year term to 80 percent of value and a 30-year term. The conference substitute contains the Senate provision with an amendment limiting the term to 25 years.

Medical center urban renewal project

The Senate bill contained a provision not in the House amendment which authorizes expenditures made by the Methodist Hospital of Central Illinois and St. Francis Hospital, Peoria, Ill., for the purchase of certain land to be made eligible as a local grant-in-aid to the Peoria Medical Center urban re-

newal project. The conference substitute conforms to the Senate bill.

WRIGHT PATMAN,
ALBERT RAINS,
ABRAHAM J. MULTER,
WILLIAM A. BARRETT,
WILLIAM B. WIDNALL,
PAUL A. FINO,
FLORENCE P. DWYER,

Managers on the Part of the House.

ADJOURNMENT

Mr. HECHLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 1 minute p.m.) the House adjourned until tomorrow, Wednesday, August 19, 1964, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2432. A letter from the Secretary of the Air Force, relative to transmitting three copies of the Air Force report entitled "Semiannual Research and Development Procurement Action Report," covering the period January 1, 1964; through June 30, 1964, pursuant to section 2357, title 10, United States Code; to the Committee on Armed Services.

2433. A letter from the Deputy Assistant Secretary of Defense (Properties and Installations) transmitting additional information pertaining to certain additional projects for the Naval and Marine Corps Reserves to be undertaken, which relates to letters dated January 21, 1964, and May 4, 1964, pursuant to title 10, United States Code, section 2233a(1); to the Committee on Armed Services.

2434. A letter from the Comptroller General of the United States relative to an examination which relates to overstated cost estimates for miscellaneous and minor outside production items included in incentive target prices negotiated with the Boeing Co., Seattle, Wash., for KC-135 airplanes, Department of the Air Force; to the Committee on Government Operations.

2435. A letter from the Comptroller General of the United States, relative to an examination which relates to overstated material cost estimates included in firm fixed prices negotiated for T-37 airplanes produced by Cessna Aircraft Co., Wichita, Kans., Department of the Air Force; to the Committee on Government Operations.

2436. A letter from the Comptroller General of the United States, transmitting a report on a review which relates to significantly increased costs without commensurate benefits resulting from an inadequately planned and administered program of installing data processing equipment in hospitals, Veterans' Administration; to the Committee on Government Operations.

2437. A letter from the Assistant Secretary, Export-Import Bank of Washington, transmitting a report stating that shipments to Yugoslavia insured by the Foreign Credit Insurance Association and the Export-Import Bank under our short term export credit insurance program for the month of July 1964 totaled \$11 million; to the Committee on Foreign Affairs.

2438. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, relative to a list of cases submitted to Congress on October 1,

1963, involving suspension of deportation, and requesting the withdrawal of the case of George Eric Nurse, A-6082963, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

2439. A letter from the Administrator, General Services Administration, transmitting certain information relating to a major project which the National Historical Publications Commission has had in mind for many years relating to the publication of a documentary history of the First Federal Congress, pursuant to Public Law 88-383; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HARDY: Committee on Armed Services. H.R. 12308. A bill to authorize removal of a flight hazard at the U.S. Naval Air Station, Norfolk, Va.; without amendment (Rept. No. 1825). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. H.R. 2411. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Auburn-Folsom south unit, American River division, Central Valley project, California, under Federal reclamation laws; with amendment (Rept. No. 1826). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. H.R. 12128. A bill to amend the act of March 10, 1964; without amendment (Rept. No. 1827). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATMAN: Committee of conference. S. 3049. An act to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes (Rept. No. 1828). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DEROUNIAN:

H.R. 12416. A bill to amend the Tariff Act of 1930 to provide a uniform rate of duty for tape recorders and dictation recording and transcribing machines; to the Committee on Ways and Means.

By Mr. HERLONG:

H.R. 12417. A bill to amend section 2056 of the Internal Revenue Code of 1954 relating to the effect of disclaimers on the allowance

of the marital deduction for estate tax purposes; to the Committee on Ways and Means.

By Mr. LEGGETT:

H.R. 12418. A bill to amend the Internal Revenue Code of 1954 to expand the exemption from the tax on the transportation of persons which is accorded members of the Armed Forces; to the Committee on Ways and Means.

By Mr. O'BRIEN of New York (by request):

H.R. 12419. A bill to provide for the popular election of the Governor of Guam, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 12420. A bill to provide for the popular election of the Governor of the Virgin Islands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. O'KONSKI:

H.R. 12421. A bill to amend the Tariff Act of 1930 to impose an import quota on iron ore; to the Committee on Ways and Means.

By Mr. KEOGH:

H.R. 12422. A bill to amend the tariff schedules of the United States with respect to the treatment of certain sets; to the Committee on Ways and Means.

By Mr. WATSON:

H.R. 12423. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income dislocation allowances received by members of the uniformed services; to the Committee on Ways and Means.

By Mr. PEPPER:

H.R. 12424. A bill to facilitate the obtaining of employment by older workers; to the Committee on Education and Labor.

By Mr. MAHON:

H.J. Res. 1160. Joint resolution making continuing appropriations for the fiscal year 1965, and for other purposes; to the Committee on Appropriations.

By Mr. SCHWENGEL:

H.J. Res. 1161. Joint resolution to establish a commission to formulate plans for the commemoration of the 200th anniversary of the founding of the United States of America; to the Committee on the Judiciary.

By Mr. RUMSFELD:

H.J. Res. 1162. Joint resolution to provide for the designation of the fourth week in April of each year as "Youth Temperance Education Week"; to the Committee on the Judiciary.

By Mr. BROWN of California:

H. Con. Res. 356. Concurrent resolution expressing the disapproval of Congress of the agreement entitled "Agreement Between the Parties to the North Atlantic Treaty for Cooperation Regarding Atomic Information," submitted to Congress by the President on June 30, 1964; to the Joint Committee on Atomic Energy.

By Mr. FRELINGHUYSEN:

H. Res. 858. Resolution to create a select committee to study the administration and

operation of the Economic Opportunity Act of 1964; to the Committee on Rules.

By Mr. GOODELL:

H. Res. 859. Resolution to create a select committee to study the administration and operation of the Economic Opportunity Act of 1964; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of California:

H.R. 12425. A bill for the relief of Martin W. Elliott; to the Committee on the Judiciary.

By Mr. COLLIER:

H.R. 12426. A bill for the relief of Moises, Elka, Elena, Flora, Diana, Eva Dragon; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 12427. A bill for the relief of Loretta Negrin; to the Committee on the Judiciary. H.R. 12428. A bill for the relief of Guido Parete, his wife, Giovanti Parete, and their children, Claudia and Mario Parete; to the Committee on the Judiciary.

By Mr. KEITH:

H.R. 12429. A bill for the relief of Horacio Pereira; to the Committee on the Judiciary. H.R. 12430. A bill for the relief of Laudalina D. F. Pereira; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 12431. A bill for the relief of Antonina Mandracchia; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 12432. A bill for the relief of Janina Janus; to the Committee on the Judiciary.

By Mr. SIBAL:

H.R. 12433. A bill for the relief of Mrs. Maria Aikler; to the Committee on the Judiciary.

By Mr. WILLIAMS:

H.R. 12434. A bill for the relief of Charles B. Franklin; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

1015. The SPEAKER presented a petition of Henry Stoner, Avon Park, Fla., relative to requesting the President of the United States, by resolution, to reassure the American people from time to time that no foreign aid whatsoever is going to any nation (from the United States of America) which is suspected of furnishing Red China with any materiel which may possibly be used for nuclear war-head manufacture by said Red China, which was referred to the Committee on Foreign Affairs.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE

Washington, D. C. 20250

Official business

Postage and fees paid

U. S. Department of Agriculture

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

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For actions of Aug. 19, 1964

88th-2nd, No. 163

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HIGHLIGHTS: House received conference report on agricultural appropriation bill. Rep. Ashbrook inserted Sen. Dirksen's remarks praising Food Study Commission. Rep. Fogarty inserted AFL-CIO release criticizing wheat-cotton law. Rep. Senner criticized conference report on meat-import bill. House received conference report on wilderness bill. Senate confirmed Schnittker nomination. Both Houses agreed to conference report on housing bill. Senate debated foreign-aid authorization bill. Senate passed bill extending Public Law 480. Conferees agreed to file report on land and water conservation fund bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1965. Received the conference report on this bill, H. R. 11202 (H. Rept. 1832). Attached to this digest is a summary showing action of the conferees. pp. 19578-80
2. HOUSING. Both Houses, the House by 310 to 70, agreed to the conference report on S. 3049, to extend and amend laws relating to housing, urban renewal, and community facilities. This bill will now be sent to the President. pp. 19574-7, 19743-5

3. RECREATION. Passed with amendment S. 27, to provide for establishment of the Canyonlands National Park in Utah. H. R. 6925, a similar bill which was passed previously as reported, was tabled. pp. 19670-76
The "Daily Digest" states that conferees agreed to file a report on H. R. 3846, the land-water conservation fund bill. p. D722
4. RESOURCES. Rep. Bonner inserted his introductory speech and the address of Rep. Roosevelt on the development of our resources. pp. 19678-9
5. FOOD MARKETING. Rep. Ashbrook inserted the remarks of Sen. Dirksen praising the creating of the Food Marketing Commission stating that "In the passage of that resolution we have for the first time moved toward a serious overall examination of our modern agricultural economy." pp. 19704-5
6. WHEAT; COTTON. Rep. Fogarty criticized the wheat and cotton legislation which was passed during this session of Congress, inserted several articles to support his opinions, and stated that in his opinion the legislation was never needed in the first place and that "The administration, through the Secretary of Agriculture, could have rolled back the price support of cotton from $8\frac{1}{2}$ to 4 or 5 cents and that would have been the easiest and simplest solution to help solve the problem." pp. 19713-4
7. RURAL DEVELOPMENT. Rep. Fraser inserted the speech of David E. Bell before a conference between the land-grant universities and the Department of Agriculture on "International Rural Development." pp. 19720-3
8. MEAT IMPORTS. Rep. Senner stated that he voted for the conference report on the meat-import bill "with considerable reluctance because I would have preferred the more protective coverage afforded by the Senate bill." p. 19725
9. TVA. Rep. Fulton spoke on a "reaffirmation" of support of the principles behind the TVA. pp. 19726-8
10. HEALTH. Rep. Sickles expressed the hope that the "House conferees will allow the \$1.5 million in planning money to remain in the budget" for the construction of the Beltsville Environmental Health Center. p. 19754
11. LEGISLATIVE ACCOMPLISHMENTS. Rep. Pelly reviewed the record of the 88th Congress. pp. 19728-30
12. POVERTY. Rep. Frelinghuysen spoke in support of H. Res. 858, to create a select committee to study the administration and operation of the Economic Opportunity Act of 1964. pp. 19677-8
13. WILDERNESS. Received the conference report on S. 4, to establish a National Wilderness Preservation System (H. Rept. 1829). pp. 19571-4
14. MILITARY CONSTRUCTION APPROPRIATION BILL, 1965. Received the conference report on this bill, H. R. 11369 (H. Rept. 1831). pp. 19570-1
15. RADIATION; FOOD. Rep. Price inserted a memorandum from the Federal Radiation Council to the President, "Radiation protection guidance for Federal agencies," recommending that such guidance be approved for the use of Federal agencies in the conduct of those radiation protection activities affecting the normal production, processing, distribution, and use of food and agricultural products. pp. 19699-701

national forest wilderness areas designated by this Act shall contain such reasonable stipulations as may be prescribed by the Secretary of Agriculture for the protection of the wilderness character of the land consistent with the use of the land for the purposes for which they are leased, permitted, or licensed. Subject to valid rights then existing, effective January 1, 1984, the minerals in lands designated by this Act as wilderness areas are withdrawn from all forms of appropriation under the mining laws and from disposition under all laws pertaining to mineral leasing and all amendments thereto.

"(4) Within wilderness areas in the national forests designated by this Act, (1) the President may, within a specific area and in accordance with such regulations as he may deem desirable, authorize prospecting for water resources, the establishment and maintenance of reservoirs, water-conservation works, power projects, transmission lines, and other facilities needed in the public interest, including the road construction and maintenance essential to development and use thereof, upon his determination that such use or uses in the specific area will better serve the interests of the United States and the people thereof than will its denial; and (2) the grazing of livestock, where established prior to the effective date of this Act, shall be permitted to continue subject to such reasonable regulations as are deemed necessary by the Secretary of Agriculture.

"(5) Other provisions of this Act to the contrary notwithstanding, the management of the Boundary Waters Canoe Area, formerly designated as the Superior, Little Indian Sioux, and Caribou Roadless Areas, in the Superior National Forest, Minnesota, shall be in accordance with regulations established by the Secretary of Agriculture in accordance with the general purposes of maintaining, without unnecessary restrictions on other uses, including that of timber, the primitive character of the area, particularly in the vicinity of lakes, streams, and portages: *Provided*, That nothing in this Act shall preclude the continuance within the area of any already established use of motorboats.

"(6) Commercial services may be performed within the wilderness areas designated by this Act to the extent necessary for activities which are proper for realizing the recreational or other wilderness purposes of the areas.

"(7) Nothing in this Act shall constitute an express or implied claim or denial on the part of the Federal Government as to exemption from State water laws.

"(8) Nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the several States with respect to wildlife and fish in the national forests.

"STATE AND PRIVATE LANDS WITHIN WILDERNESS AREAS

"SEC. 5. (a) In any case where State-owned or privately owned land is completely surrounded by national forest lands within areas designated by this Act as wilderness, such State or private owner shall be given such rights as may be necessary to assure adequate access to such State-owned or privately owned land by such State or private owner and their successors in interest, or the State-owned land or privately owned land shall be exchanged for federally owned land in the same State of approximately equal value under authorities available to the Secretary of Agriculture: *Provided*, however, That the United States shall not transfer to a State or private owner any mineral interests unless the State or private owner relinquishes or causes to be relinquished to the United States the mineral interest in the surrounded land.

"(b) In any case where valid mining claims, or other valid occupancies are wholly within a designated national forest wilderness area, the Secretary of Agriculture shall, by reasonable regulations consistent with the preservation of the area as wilderness, permit ingress and egress to such surrounded areas by means which have been or are being customarily enjoyed with respect to other such areas similarly situated.

"(c) Subject to the appropriation of funds by Congress, the Secretary of Agriculture is authorized to acquire privately owned land within the perimeter of any area designated by this Act as wilderness if (1) the owner concurs in such acquisition or (2) the acquisition is specifically authorized by Congress.

"GIFTS, BEQUESTS, AND CONTRIBUTIONS

"SEC. 6. (a) The Secretary of Agriculture may accept gifts or bequests of land within wilderness areas designated by this Act for preservation as wilderness. The Secretary of Agriculture may also accept gifts or bequests of land adjacent to wilderness areas designated by this Act for preservation as wilderness if he has given sixty days advance notice thereof to the President of the Senate and the Speaker of the House of Representatives. Land accepted by the Secretary of Agriculture under this section shall become part of the wilderness area involved. Regulations with regard to any such land may be in accordance with such agreements, consistent with the policy of this Act, as are made at the time of such gift, or such conditions, consistent with such policy, as may be included in, and accepted with, such bequest.

"(b) The Secretary of Agriculture or the Secretary of the Interior is authorized to accept private contributions and gifts to be used to further the purposes of this Act.

"ANNUAL REPORTS

"SEC. 7. At the opening of each session of Congress, the Secretaries of Agriculture and Interior shall jointly report to the President for transmission to Congress on the status of the wilderness system, including a list and descriptions of the areas in the system, regulations in effect, and other pertinent information, together with any recommendations they may care to make."

And the House agree to the same.

WAYNE N. ASPINALL,
HAROLD T. JOHNSON,
COMPTON I. WHITE, Jr.,
JOHN P. SAYLOR,
ROGERS C. B. MORTON,

Managers on the Part of the House.

HENRY M. JACKSON,
CLINTON P. ANDERSON,
FRANK CHURCH,
THOMAS H. KUCHEL,
GORDON ALLOTT,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 4) to establish a National Wilderness Preservation System for the permanent good of the whole people, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to the amendment to the text of the bill:

The amendment to S. 4 which was adopted in the House differed from the bill as it came from the Senate in many respects. The conference committee adopted the House version except for the following:

1. The House version definition of a wilderness area included a requirement that the area have at least 5,000 acres of land. The Senate version had no such minimum requirement. In recognition of the fact that some areas of less than 5,000 acres may be

suitable for preservation as wilderness, the conference provided that a wilderness area shall have at least 5,000 acres of land or be of sufficient size to make practicable its preservation and use in an unimpaired condition.

2. S. 4 as passed by the House would have provided that all areas within national forests classified at least 60 days before the effective date as "wilderness," "wild," or "canoe" are designated as wilderness areas. The conference committee adopted a standard of administrative classification as "wilderness," "wild," or "canoe" 30 days before the effective date of the act in order to make certain that there will be no duplication in connection with reviews completed by the Secretary of Agriculture and the Chief of the Forest Service within the last month.

3. The conferees understand that Forest Service officials tentatively have decided that an undetermined amount of land, but not exceeding 7,000 acres, in the Gore Range-Eagles Nest Primitive Area, Colo., should be deleted and made available for Interstate Highway 70; in addition, the Denver Water Board has a plan for a tunnel in the general area. Under existing regulations the Chief of the Forest Service has been delegated authority to modify primitive areas and eliminate portions. Inasmuch as S. 4 as passed by the House would withdraw this authority from the Department of Agriculture, the conferees have provided that the Secretary of Agriculture may complete his review of the suitability or non-suitability of the Gore Range-Eagles Nest Primitive Area for preservation as wilderness and delete up to 7,000 acres from its southern tip if he determines that such action is in the public interest. In this connection the Conference Committee noted that, if the President recommends that the Gore Range-Eagles Nest Primitive Area be designated as a wilderness area for inclusion in the wilderness system, he may recommend the addition of other lands, not now within the primitive area, to replace the 7,000 acres that may be deleted.

4. The provision relative to review of roadless portions of units of the national park and wildlife refuge systems was amended to (1) make clear that the report to the President shall present the recommendations of the Secretary of the Interior as to the suitability or non-suitability of roadless areas or islands for preservation as wilderness, and (2) provide for an orderly submission of recommendations during the 10-year period by requiring that not less than one-third of the areas be reviewed within three years after enactment, not less than two-thirds within seven years after enactment, and the remainder within 10 years after enactment.

5. The conferees deleted the provision of the House version that would have required the President to identify the specific values in any particular area warranting its preservation as wilderness and requiring a recapitulation with each recommendation of other areas preserved by reason of the presence of the same or similar values.

6. The applicability of the mining and mineral leasing laws to wilderness areas designated by S. 4 was modified by the conference committee to expire December 31, 1983 (instead of 1982 as provided in S. 4 as passed by the House) with all minerals withdrawn effective January 1, 1984.

In consonance with the general philosophy of the act, the conference committee limited this provision to those lands designated by S. 4 as wilderness areas. However, the conference committee noted that, in the absence of compelling reasons to the contrary, a similar limitation of time should be placed on those primitive areas or portions of primitive areas that are in the future designated as wilderness areas. The conference committee expects that the mining industry and the agencies of the Department of the Interior will explore existing primitive areas so that

when legislation pertaining to such primitive areas is considered at a later date Congress will have the benefit of professional technical advice as to the presence or absence of minerals in each area.

7. Both the House and Senate versions contain a provision designed to preserve the existing jurisdiction of the States respecting wildlife and fish. The conferees have adopted the Senate language on this point as more clearly stating that nothing in S. 4 shall be construed as affecting current jurisdiction or responsibilities of the States with respect to wildlife and fish in the national forests.

Both the House and Senate versions provide for the designation as wilderness of the San Geronio Wild Area, Calif., and its inclusion in the National Wilderness Preservation System. The proposed installation of facilities to provide skiing for large numbers of people was the subject of much discussion in the House Interior and Insular Affairs Committee during consideration of this legislation. That committee, by a vote of 14 to 11, voted to provide for the installation of facilities for large-scale skiing utilization but this provision was deleted by the House itself.

The conference committee considered the use of the San Geronio Area and specifically considered amendments proposed by Congressman JOHNSON of California, and Senator KUCHEL pertaining to this matter. The conference committee refused to accept any of the alternate proposals. The conference committee was of the opinion that both the House and the Senate having voted to place the San Geronio Wild Area in the wilderness system, this should be done at this time. Nonetheless, it is noted that the matter is not considered as closed; and, if the people of California continue to desire a restudy of the area, they should make their views known to their Representatives in Congress and be in a position to have legislation introduced at the start of the next Congress. This will permit consideration at hearings devoted solely to this matter.

WAYNE N. ASPINALL,
HAROLD T. JOHNSON,
COMPTON I. WHITE, JR.,
JOHN P. SAYLOR,
ROGERS C. B. MORTON,

Managers on the Part of the House.

THE HONORABLE BERNARD M. BARUCH

(Mr. MULTER asked and was given permission to address the House for 1 minute.)

Mr. MULTER. Mr. Speaker, I take this time to extend warm birthday greetings to a longtime friend and a great American, the truly elder statesman of the world, the Honorable Bernard M. Baruch.

He is today 94 years young.

I imagine that the title he cherishes most is "Adviser to Presidents." His sage advice is sought by many, denied to none, and welcomed by all.

I extend the traditional wish of my coreligionists, that the Lord bless him with all the good things of life until 120.

CORRECTION OF ROLL CALL

Mr. DAGUE. Mr. Speaker, on August 14, on roll call 226, I am listed as absent. I was present and answered to my name, which the reading clerk's records confirm. I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REBUKE TO SUPREME COURT

(Mr. KASTENMEIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KASTENMEIER. Mr. Speaker, sometime this afternoon the House is destined to resolve itself into a drum-head court of the Union and by statute attempt to remove critical jurisdiction from the Supreme Court of the United States. The short path leading to this vote is paved with unprecedented irregularities, and yet the result will be as though the Constitution had been solemnly rewritten and ratified to recast our tripartite form of government in the mold of the British system.

I have no doubt that this vote will be widely interpreted as a rebuke to the Supreme Court. But I am equally convinced that the one lesson to be drawn from this exercise in retaliation is that the Supreme Court was utterly right in reluctantly concluding that neither Congress nor the States were capable of revitalizing our Federal system to meet the legitimate needs of the Nation and the exacting demands of the times. If the Court's decision lacked either eloquence or persuasiveness, that has been amply supplied by the drama unfolding here today.

To those who feel that the Court has gone too far toward becoming a political institution, I can only say that they, themselves have had a heavy hand in bringing this about. Preaching the American creed of self-reliance and democratic initiative, they have permitted Congress and the State legislatures to become ineffective avenues for both.

To those who foresee that the Supreme Court will now retreat from the fundamental controversies of our society, I say that it is within their power to achieve this, not by retaliation, but by recognition of the unabating pressures which brought about the decision they find so distasteful. If this recognition is not made and acted on, the Supreme Court's legitimate role will enlarge, not contract. We will all be the poorer for it, because the Supreme Court is not the best institution to take on many of these tasks. But I for one will support the Court, as will a growing number of Americans who see in measures such as the one we will vote on today the unmistakable signs of decay in our presentative form of government.

PERSONAL ANNOUNCEMENT

(Mr. HULL asked and was given permission to address the House for 1 minute.)

Mr. HULL. Mr. Speaker, during roll call No. 217 on H.R. 1927, to amend title 38, United States Code, so as to revise the rates of disability and death pension authorized by the Veterans' Pension Act

of 1959 and for other purposes, I was unavoidably detained outside the Chamber.

Had I been present, I would have voted "aye" on this bill.

BELTSVILLE ENVIRONMENTAL HEALTH CENTER

(Mr. SICKLES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SICKLES. Mr. Speaker, Members of the other body will soon consider the appropriations for the Department of Health, Education, and Welfare during fiscal year 1965. Before this measure was passed by the House, the House Appropriations Committee did not have time to fully evaluate Secretary Celebrezze's request that the proposed Environmental Health Center be located in Beltsville, Md., and that funds for the planning of this facility be included in the budget.

Since that time, however, the Senate Appropriations Committee has recommended that the construction planning funds be included in the departmental budget. Apparently there are some Members of the other body who seek to make public works projects out of the research activities of the Federal Government and will oppose this budget item.

The past history of the Environmental Health Center project has been checkered with ill-advised attempts to locate this facility away from research activities of the Federal Government that are directly related to the work which will be done at the Center. The result has been an unnecessary delay in the construction of a much needed facility. Research on pesticides, the effect of radiation on man, and other problems has been hampered. It is my hope that the Members of the other body will support the sensible request of the Senate Appropriations Committee and that the House conferees will allow the \$1.5 million in planning money to remain in the budget.

HOUSING ACT OF 1964

Mr. PATMAN. Mr. Speaker, I call up the conference report on the bill (S. 3049) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of August 18, 1964.)

Mr. PATMAN (during the reading of the conference report). Mr. Speaker, I ask unanimous consent that the further reading of the conference report be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, it is a source of pride to announce that the conference report was adopted unanimously by the managers on the part of the House. The House and Senate bills contained 66 points of difference, and the conferees on both sides worked long and ardently to resolve them. The fact that it was done in 1 day is a tribute to the good will and competence of the conferees. The result is that our housing programs will be continued for another year. Moreover, many improvements have been introduced into the programs, which I am sure will prove their worth and effectiveness in the coming year.

In particular, there are a number of features that should prove beneficial to the less fortunate members of our society in permitting them to participate more fully in the benefits of these programs. This applies especially to families of low income, elderly people, those who are handicapped, and those who are displaced from their dwellings. In addition, it contains measures to assure that the human values will be upheld in the course of our housing and urban renewal activities.

It is with considerable pleasure that I announce the inclusion in the conference report of several substantial liberalizations of the laws governing Federal savings and loan associations. Many of these, as you know, were previously enacted by the House in H.R. 9609, but they had not been previously passed by the Senate. Consequently, they were included by the House in these housing amendments, accepted by the Senate conferees, and were today passed by the Senate. They need only favorable action in the House today to become law.

The savings and loan industry has been a tremendous force for progress in this Nation by reason of its very constructive role in supplying financing for millions of private homes. Without their vigorous participation, housing would be far behind its present stage. It is therefore fitting and proper that these liberalizations be included in a general housing program.

I am now going to ask the gentleman from Alabama, ALBERT RAINS, chairman of the Housing Subcommittee of the Banking and Currency Committee, to summarize the major points of agreement in the conference report.

Mr. Speaker, I yield 6 minutes to the gentleman from Alabama [Mr. RAINS].

(Mr. RAINS asked and was given permission to revise and extend his remarks.)

Mr. RAINS. Mr. Speaker, the conference report before us is on the housing bill which, as all Members of the House know, passed this body last Thursday by an overwhelming vote of 308 to 68. Earlier today it passed the Senate by voice vote.

Mr. Speaker, I want to inform our colleagues in the House that in my judgment our conference with the other body on yesterday was a model of harmony and constructive cooperation, both as between the Members of the two bodies and between the Members of the

majority and the minority. All members of the conference joined in signing the report. In a bill which covers so many programs of governmental assistance in the field of housing there were naturally many points of difference and, in fact, there were 66 items in disagreement. However, most of these were of a minor nature and were quickly resolved.

In some instances, naturally, we were forced to recede or compromise—that, of course, is the purpose of a conference. But, in general, I am pleased to say that the bill before you today in all essential parts is substantially the same bill as passed the House last week.

The conference report before us, I am sure, is virtually noncontroversial, just as the bill that originally passed the House by such an overwhelming vote. The conference report, just as the original House bill, is designed to carry our housing programs for a period of 1 year. The Senate bill had been designed to carry our programs until October 1, 1965, a period of about 15 months from the time it was reported from the Senate committee. However, by the time this bill is signed into law it will be actually just about a 1-year bill, and so right at the outset of the conference there was general agreement that we would compromise our differences to carry the programs until October 1 of next year.

This basic decision governed our compromises on two of the most important provisions of the bill. The House bill had provided \$600 million for urban renewal capital grants, while the Senate bill would have provided \$850 million. We split the difference and accepted \$725 million.

In the case of public housing the House bill would have authorized 35,000 units and the Senate bill 45,000. Here we compromised at somewhat less than half the difference, and the conference report would authorize 37,500 units. These are urgently needed to meet the backlog of applications now on hand amounting to over 40,000 units for which PHA has no authorization under present law. It will also carry the program for 1 year at the rate which has prevailed over the past decade, just about 35,000 units put under contract annually.

The conference committee made two significant changes in the first title of the bill which covers Federal Housing Administration programs. First, the modest reduction in downpayment which would have been made by the House bill for homes valued at \$15,000 or more is not in the conference report but we did keep the higher mortgage amounts recommended by the administration which will enable FHA to insure loans up to \$30,000 on single-family homes instead of the present limit of \$25,000. The other major change in title I was the acceptance of a provision in the Senate bill authorizing FHA to go in and correct structural defects in homes which had been built under FHA inspection. This is a difficult problem and the solution in the conference report is at least partly experimental in nature. The provision is limited to structural defects which means only major problems and there is no in-

tention that FHA should become involved in minor matters. Also, FHA will do its utmost to see that the builder corrects any defects under the warranty required in existing law. FHA will make the repairs only in those cases where the builder is unable or unwilling to.

The next important changes made in conference are in title III of the bill which covers urban renewal. I have already mentioned the capital grant authorization. In addition, we made a number of changes in the provision for additional relocation payments. The Senate bill had contained the administration recommendation for a payment of up to \$2,500 to displaced small business, including the payment that could be made after 1 year for a firm which did not reopen. The House bill authorized the payment of \$1,000 at the time of displacement.

We felt that the additional Senate provision actually put a premium on not going back into business so we compromised at a payment of \$1,500 upon displacement without any further payment 1 year later. In the case of families, the House had authorized the full payment of rent or mortgage payments for 3 months in the new quarters. The Senate had provided a partial payment extending over 1 year and the conference report compromised at partial payments to be made for up to a 5-month period with a maximum in any case of \$500.

I am pleased to report that the conference committee retained the new program of low-interest loans for rehabilitation in urban renewal areas which was originated by the ranking minority member on the Housing Subcommittee, Mr. Widnall. Two changes were made in the program which were accepted by the conference without dissent. The first extends the maximum maturity from 15 years to 20 years, and the second permits the refinancing of existing debt in connection with rehabilitation work on homes and subject to the ceiling on individual loans.

The conference committee also accepted a provision in the Senate bill authorizing urban renewal projects for the development of air rights sites for housing. Because this was a new program we restricted such projects in total to not more than 5 percent of the new capital grant authorization and added language to make certain that any such housing provided will be for low- and moderate-income people.

Mr. Speaker, I was very pleased that the conference committee kept all of the House provisions designed to strengthen savings and loan associations which are vital to home financing and homeownership. In addition, the conference accepted a provision in the Senate bill liberalizing home loans which can be made by national banks. Present law limits these loans to 20 years and 75 percent of value. The Senate bill would have raised this to 30 years and 80 percent of value. The conference substitute provides an increase to 80 percent of value and an extension to 25 years maximum maturity.

Mr. Speaker, this is a good bill and I urge all of my colleagues to support it.

Mr. WIDNALL. Mr. Speaker, will the gentleman yield?

Mr. RAINS. I yield to the gentleman from New Jersey.

Mr. WIDNALL. I thank the gentleman for yielding.

I should like to clarify at this point something which is in the report at page 46 which actually is not a true report on the record. I quote from the second paragraph under "Rehabilitation Loans." The language is:

The rehabilitation loans can be made to tenants but the conferees expect that these loans will be made only where there is a long-term lease.

Is it not true that this does not agree with the text of the law as agreed upon by the conferees? And is it not also true that no such agreement or understanding was made by the conferees?

Mr. RAINS. Is the gentleman referring to the language on page 24? To what numbered section does the gentleman refer?

Mr. WIDNALL. Actually, on page 23 of the report there is section 312(b), and on page 24 under subsection (3) the language is:

The term "tenant" means a person or organization who is occupying a structure under a lease having a period to run at the time a rehabilitation loan is made under this section of not less than the term of the loan.

Mr. RAINS. The gentleman is absolutely correct. It was the unanimous intention of the conferees that it be passed exactly as the language in the act itself, in subparagraph (3) as shown on page 24 of the Housing Act of 1964.

I wish to state, so far as the paragraph which reads "the rehabilitation loans can be made to tenants but the conferees expect that these loans will be made only where there is a long-term lease" is concerned, this was not the intention of the conferees and it should be rejected in the administration of the bill as not being the intention of the conferees. Instead, the act itself should prevail.

Mr. WIDNALL. Actually that paragraph in the report on page 46 should be stricken from the report.

Mr. RAINS. That is correct.

Mr. MULTER. Mr. Speaker, will the gentleman yield to me?

Mr. RAINS. Yes. I yield to the gentleman from New York.

Mr. MULTER. With reference to the statement on the part of the managers, on page 44, under the title "Mutuality for section 213 cooperative housing," we have in there a statement that "it is the desire of the conferees that FHA establish a separate insurance fund for management-type section 213 mortgage insurance operations."

Is it not a fact that the conferees felt the authority that is already in existing statute should be used by FHA?

Mr. RAINS. That is correct.

Mr. MULTER. And we expect they will do that between now and the time we consider the next housing bill?

Mr. RAINS. That is absolutely correct.

Mr. Speaker, I yield back the balance of my time, and I yield now to the gentleman from New Jersey [Mr. WIDNALL] for 5 minutes.

Mr. WIDNALL. Mr. Speaker, I rise to support the conference report which the gentleman from Texas has placed before the House. The amounts of authorization in the bill are somewhat more than I wished—they are more than I think the agencies concerned can profitably use. At the same time, they are lower because of concessions made by conferees who held to the honest belief on their part that the figures should be greater than those which we agreed upon.

All of the conferees signed the conference report. We have before us a bill to which many contributed. I wish to thank the honorable gentleman from Alabama for his part, which was major. I can say to the House that he most resolutely upheld the consensus of its views as we hammered out the final draft. He spoke up for all the various sections which individual committee members and members of the House had added to the House bill and most of them are in the final draft before us.

I am particularly grateful for the support he gave me in the sections having to do with relocation of people and businesses in urban renewal areas and in the field of code enforcement. These two parts of the bill will, if properly executed, do much to correct current troubles of the urban renewal program. I want this program to work. We have been generous with the Urban Renewal Administration as to authorization. We have with this bill given it new tools with which to work. It is up to the agency to produce accordingly.

The new legislation regarding relocation and code enforcement is concerned with the betterment of the low and moderate income people which the program has in the past adversely effected. Urban renewal's basic purpose, its major purpose, is to produce better residential housing—to clear out slums and blight and replace them with new home construction of which we can be proud. It has in recent years slipped into attitude of commercial preference which has turned it from its basic purpose. I hope the Congress will with the passage of this bill turn the agency and its thinking back toward the original purpose of curing urban slums and blight and providing decent homes and environment for low income people.

It is also my hope that the rehabilitation sections of the bill which I proposed with my colleagues last January before the administration presented its bill will enable the Urban Renewal Administration to encourage a rehabilitation approach which will be more helpful to low and moderate income citizens in urban renewal areas than the rough confrontation so many of them have had with the bulldozer. They have suffered; their businesses have suffered; our cities and the Nation have suffered.

In the field of public housing, we still need a new approach and in 1965 I intend to return to my proposal of a rent

certificate plan which can make immediate use of existing housing. The basic purpose of the public housing program is to get people into decent, safe, and sanitary housing when they do not have it. The agency has shown considerable zeal in making contracts for the building of such housing. Their backlog of unfilled contracts, however, is at its highest peak in a decade. Before we take up a housing bill in 1965, I recommend a serious effort to reduce this backlog to manageable proportions. We need the buildings much more than we need the contract authorizations.

Mr. Speaker, I urge the passage of this bill. I have great hopes for it.

Let me once again compliment the distinguished gentleman from Alabama [Mr. RAINS] for the excellent work he has done not only on this bill but on so many other major issues before the Congress. We will miss him in the committee, Congress will miss him, and I wish to say he has been one of the finest and most able legislators we have ever had here in the House of Representatives.

Mr. KILBURN. Mr. Speaker, will the gentleman yield?

Mr. WIDNALL. I yield to the gentleman from New York [Mr. KILBURN].

(Mr. KILBURN asked and was given permission to revise and extend his remarks.)

Mr. KILBURN. Mr. Speaker, while I realize that the conferees on the part of the House have done a good job in upholding the House position on the housing bill, I will vote against the conference report because it contains public housing and a huge amount for urban renewal.

I take this opportunity to say a word about my friend, the gentleman from Alabama, ALBERT RAINS. It so happens that we have been close friends for many years and while most times we disagree on legislation, it has never affected our friendship. There is no question of his being one of the most effective and well-informed Members of the House. His influence on our Banking and Currency Committee has always been great. I know his State of Alabama will miss such an able Representative.

I wish him every success as he goes back to Gadsden and practices law. I know his home folks realize his great abilities.

Mr. ROSENTHAL. Mr. Speaker, I rise to support the conference report on the Housing Act of 1964. I wish, however, to express my disapproval of the act of the conferees in taking out of the bill a provision included in the House bill, which would have placed the FHA section 213 cooperative housing program on a mutual basis. It was my understanding that the administration supported this provision which experience has shown is both sound and deserved. I am advised, Mr. Speaker, that the administration urged the conferees not to include this provision in the conference report. This was most regrettable and, I believe, a violation of the understanding that was had with the administration. I hope that the Banking and Currency Committee will look into this

matter with dispatch and make the enactment of the mutuality provision its first order of business at the next session.

Mr. PATMAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes had it.

Mr. HALL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 310, nays 70, not voting 50, as follows:

[Roll No. 240]

YEAS—310

| | | |
|----------------|---------------|-----------------|
| Addabbo | Denton | Jennings |
| Albert | Diggs | Johnson, Calif. |
| Andrews, | Dingell | Johnson, Pa. |
| N. Dak. | Donohue | Johnson, Wis. |
| Arends | Downing | Jonas |
| Ashley | Duncan | Karsten |
| Aspinall | Dwyer | Karth |
| Auchincloss | Edmondson | Kastenmeier |
| Avery | Edwards | Keith |
| Ayres | Elliott | Kelly |
| Baker | Ellsworth | Kilgore |
| Baldwin | Everett | King, Calif. |
| Barrett | Fallon | King, N.Y. |
| Barry | Farbstein | Kirwan |
| Bass | Fascell | Kluczynski |
| Bates | Feighan | Knox |
| Battin | Finnegan | Kornegay |
| Beckworth | Fino | Kunkel |
| Bell | Flood | Landrum |
| Bennett, Fla. | Fogarty | Langen |
| Berry | Fountain | Latta |
| Betts | Fraser | Leggett |
| Blatnik | Frelinghuysen | Lennon |
| Boggs | Friedel | Lesinski |
| Boland | Fulton, Pa. | Libonati |
| Bolling | Fulton, Tenn. | Lindsay |
| Bolton, | Fuqua | Lipscomb |
| Oliver P. | Gallagher | Lloyd |
| Bonner | Garmatz | Long, La. |
| Bow | Gary | Long, Md. |
| Brademas | Giaino | McDade |
| Bromwell | Gibbons | McFall |
| Brooks | Gilbert | McLoskey |
| Broomfield | Gill | McMillan |
| Brotzman | Glenn | Macdonald |
| Brown, Calif. | Gonzalez | MacGregor |
| Broyhill, N.C. | Goodell | Madden |
| Broyhill, Va. | Grabowski | Mailliard |
| Burke | Green, Oreg. | Martin, Calif. |
| Burkhalter | Green, Pa. | Martin, Mass. |
| Burton, Calif. | Griffin | Mathias |
| Burton, Utah | Griffiths | Matsunaga |
| Byrne, Pa. | Grover | Matthews |
| Cahill | Gubser | Meador |
| Cameron | Gurney | Michel |
| Carey | Hagan, Ga. | Miller, Calif. |
| Cederberg | Hagen, Calif. | Milliken |
| Celler | Halleck | Mills |
| Chelf | Halpern | Minish |
| Chenoweth | Hanna | Monagan |
| Clancy | Hansen | Montoya |
| Clark | Harding | Moore |
| Clausen, | Hardy | Moorhead |
| Don H. | Harris | Morgan |
| Cleveland | Hawkins | Morris |
| Cohelan | Hays | Morrison |
| Collier | Healey | Morse |
| Conte | Hechler | Morton |
| Cooley | Henderson | Mosher |
| Corman | Herlong | Moss |
| Cramer | Hollfield | Multer |
| Cunningham | Holland | Murphy, Ill. |
| Curtin | Horan | Murphy, N.Y. |
| Daniels | Horton | Murray |
| Davis, Ga. | Hosmer | Natcher |
| Davis, Tenn. | Hull | Nelsen |
| Delaney | Jarman | Nix |

| | |
|----------------|---------------|
| O'Brien, N.Y. | Rogers, Colo. |
| O'Hara, Ill. | Rooney, N.Y. |
| O'Hara, Mich. | Rooney, Pa. |
| O'Konski | Roosevelt |
| Olsen, Mont. | Rosenthal |
| Olson, Minn. | Rostenkowski |
| O'Neill | Roush |
| Osmer | Roybal |
| Ostertag | Rumsfeld |
| Patman | Ryan, Mich. |
| Patten | Ryan, N.Y. |
| Pelly | St Germain |
| Pepper | St. Onge |
| Perkins | Saylor |
| Philbin | Schenck |
| Pickle | Schneebeli |
| Pike | Schweiker |
| Poage | Scott |
| Powell | Secrest |
| Price | Senner |
| Pucinski | Sheppard |
| Purcell | Shriver |
| Quie | Sibal |
| Rains | Sickles |
| Randall | Sikes |
| Reid, Ill. | Siler |
| Reid, N.Y. | Sisk |
| Reifel | Slack |
| Reuss | Smith, Iowa |
| Rhodes, Pa. | Springer |
| Rich | Staebler |
| Riehlman | Stafford |
| Rivers, Alaska | Staggers |
| Rivers, S.C. | Steed |
| Roberts, Ala. | Stephens |
| Roberts, Tex. | Stinson |
| Robison | Stratton |
| Rodino | Stubblefield |

NAYS—70

| | | |
|---------------|---------------|---------------|
| Abbitt | Findley | Pillion |
| Abele | Fisher | Poff |
| Abernethy | Flynt | Pool |
| Anderson | Ford | Quillen |
| Andrews, Ala. | Gathings | Rhodes, Ariz. |
| Ashbrook | Goodling | Rogers, Fla. |
| Ashmore | Grant | Rogers, Tex. |
| Becker | Gross | Roudebush |
| Beermann | Haley | Schadeberg |
| Belcher | Hall | Selden |
| Bray | Harrison | Short |
| Brown, Ohio | Harsha | Skubitz |
| Bruce | Harvey, Ind. | Smith, Va. |
| Burleson | Huddleston | Snyder |
| Casey | Hutchinson | Teague, Tex. |
| Chamberlain | Jensen | Tuck |
| Clawson, Del | Johansen | Utt |
| Colmer | Kilburn | Watson |
| Curtis | McCulloch | Whitten |
| Dague | Mahon | Williams |
| Devine | Marsh | Wilson, Ind. |
| Dole | Martin, Nebr. | Winstead |
| Dorn | Minshall | |
| Dowdy | Passman | |

NOT VOTING—50

| | | |
|--------------|---------------|---------------|
| Adair | Forrester | McIntire |
| Alger | Gray | May |
| Baring | Harvey, Mich. | Miller, N.Y. |
| Bolton, | Hébert | Nedzi |
| Frances P. | Hoeven | Norblad |
| Brock | Hoffman | Pilcher |
| Buckley | Ichord | Pirnie |
| Byrnes, Wis. | Joelson | St. George |
| Corbett | Jones, Ala. | Schwengel |
| Daddario | Jones, Mo. | Shipley |
| Dawson | Kee | Smith, Calif. |
| Dent | Keogh | Thompson, La. |
| Derounian | Kyl | Toll |
| Derwinski | Laird | Tollefson |
| Dulski | Lankford | Whalley |
| Evins | McClory | Willis |
| Foreman | McDowell | Younger |

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Keogh for, with Mr. Hoffman against.
Mr. Byrnes of Wisconsin for, with Mr. Adair against.
Mr. Hébert for, with Mr. Smith of California against.

Mr. Daddario for, with Mr. McClory against.
Mr. Laird for, with Mr. Alger against.
Mrs. May for, with Mr. Foreman against.

Until further notice:

Mr. Toll with Mr. Talcott.
Mr. Gray with Mrs. St. George.

Mr. Thompson of Louisiana with Mr. McIntire.

Mr. Jones of Alabama with Mr. Hoeven.
Mr. Baring with Mr. Harvey of Michigan.
Mr. Nedzi with Mrs. Frances P. Bolton.
Mr. McDowell with Mr. Derounian.
Mr. Dent with Mr. Corbett.
Mr. Willis with Mr. Younger.
Mr. Evins with Mr. Tollefson.
Mr. Shipley with Mr. Derwinski.
Mr. Joelson with Mr. Pirnie.
Mr. Ichord with Mr. Kyl.
Mr. Pilcher with Mr. Norblad.
Mr. Dulski with Mr. Schwengel.
Mr. Buckley with Mr. Whalley.
Mr. Lankford with Mrs. Kee.
Mr. Forrester with Mr. Brock.

Mr. ASHMORE and Mr. MAHON changed their votes from "yea" to "nay." The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ETHEL R. LOOP

Mr. HAYS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 284) for the relief of Ethel R. Loop, the widow of Carl R. Loop.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of section 5 of the Act entitled "An Act to make certain increases in the annuities of annuitants under the Foreign Service retirement and disability system", approved May 1, 1956, as amended (22 U.S.C. 1079d), Carl R. Loop, who died in 1923, while serving as consular officer at Catania, Italy, shall be held and considered to have been a participant under the Foreign Service retirement and disability system at the time of his death.

SEC. 2. No annuity shall be payable as a result of the enactment of this Act for any period prior to the date of such enactment.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I am aware of the nature of this bill. I believe it will meet a humanitarian need. I trust that it will not be considered a precedent for further legislation in this direction.

Mr. HAYS. I would say to the gentleman, as I did in our conversation yesterday, that as far as I am concerned, any further bills of this nature will have to be considered on their merits.

The bill was ordered to be read a third time, was read the third time and passed,

and a motion to reconsider was laid on the table.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1965

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on H.R. 11202.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The conference report and statement follow:

CONFERENCE REPORT (H. REPT. NO. 1832)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 10, 11, 16, 19, 41, 46, and 50.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 8, 9, 11a, 13, 14, 15, 17, 20, 22, 27, 30, 31, 32, 36, 37, 38, 40, 42, 44, 45, 47, and 49, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$68,793,200"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$49,932,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the matter stricken and proposed by said amendment, insert the following:

"WATERSHED PLANNING

"For necessary expenses for small watershed investigations and planning, \$5,524,000.

"WATERSHED PROTECTION

"For necessary expenses to conduct river basin surveys and investigations, and research and to carry out preventive measures, including, but not limited to, engineering operations, methods of cultivation, the growing of vegetation, and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended, \$60,324,000, with which shall be merged the unexpended balances of funds heretofore appropriated or transferred to the Department for watershed protection purposes; *Provided*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), and not to exceed \$100,000 shall be available for employment under section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); *Provided further*, That not to exceed \$4,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes."

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$1,770,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$11,481,000"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$39,566,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$103,000,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$12,175,000"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "of which amount \$500,000 shall remain available until expended for construction, alteration and modification of research facilities."; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$90,000,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$15,000,000"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$11,578,000"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$92,860,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 6, 7, 26, 35, and 43.

JAMIE L. WHITTEN,
WILLIAM H. NATCHER,
GEORGE MAHON,
WALT HORAN,
ROBERT H. MICHEL,

Managers on the Part of the House.

SPESSARD L. HOLLAND,
RICHARD B. RUSSELL,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of

the two Houses on the amendments of the Senate to the bill (H.R. 11202) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1965, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

The managers, in consideration of this bill in conference, had budget estimates of \$29,000,000 for pesticides research (S. Doc. No. 85); \$1,000,000 for bollweevil eradication and \$4,000,000 for emergency conservation measures (S. Doc. No. 82); \$10,000,000 for the Cropland Conversion program (S. Doc. No. 83); plus \$2,000,000 for Cost-of-production research on cotton authorized by the wheat-cotton bill recently adopted by Congress. This is a total of \$46,000,000, of which \$44,000,000 was not submitted by the Budget Bureau in time to be considered in the bill by the House. A substantial portion of these items was agreed to in conference in view of their importance to agricultural programs in the coming year.

The conferees, at the instance of the executive branch, have unanimously supported funds in this bill to increase research attention to pests and pesticides in the continuing fight between man, pests and disease, so as to maintain our fine food supply and high standard of living. In addition, the conferees have provided the Secretary with \$250,000 for the purpose of coordinating the work of the Department in this area, and for the determination and agreement on standard tests and the determination of safe and practical tolerances in cooperation with other departments and agencies of Government.

It is to be noted that it is in these areas where there must be agreement if our food supply is not to be needlessly jeopardized.

DEPARTMENT OF AGRICULTURE

Agricultural Research Service

Amendment No. 1—Salaries and expenses: Authorizes the construction or improvement of six buildings at a cost of not to exceed \$45,000 as proposed by the Senate instead of five buildings as proposed by the House.

Amendment No. 2—Research: Reported in disagreement. The managers on the part of the House will offer a motion to appropriate \$119,639,000 instead of \$97,656,000 as proposed by the House and \$120,564,000 as proposed by the Senate. The appropriation agreed to provides the following amounts for items provided under Section 32 funds in the House bill:

| | |
|---|-------------|
| Staffing and operating new facilities..... | \$1,350,000 |
| Research on pesticide residues including expansion of plans for weed control laboratory as provided by House..... | 1,500,000 |
| Foot-and-mouth disease laboratory, including \$250,000 for renovation of facilities..... | 375,000 |
| Construction of facilities, Fort Collins, Colo..... | 1,000,000 |
| Renovation of facilities, Beltsville, Md..... | 850,000 |
| Peanut Research Laboratory, Dawson, Ga..... | 1,000,000 |

In addition the following Senate increases are agreed to:

| | |
|---|------------|
| Food science research..... | \$250,000 |
| Stored products insect research..... | 200,000 |
| Funds to be distributed to 11 research locations..... | 100,000 |
| Wholesaling and retailing research..... | 200,000 |
| Pesticide research (S. Doc. 85), including \$250,000 for the use of the Secretary in coordinating pesticide activities..... | 13,758,000 |
| Cost of production research on cotton..... | 1,400,000 |

HOUSING ACT OF 1964— CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3049) to extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes. I ask unanimous consent for the present consideration of the report.

The ACTING PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of August 18, 1964, pp. 19553-19565, CONGRESSIONAL RECORD.)

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. SPARKMAN. Mr. President, this is a unanimous report on both sides of the Capitol. The House and the Senate conferees all signed it.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. SALTONSTALL. Substantial amounts of money are requested before the Appropriations Committee, of which I am a member, to carry forward the objectives of the bill which the Senate is now considering.

Does the Senator understand that there is approximately \$22 million for one item, and \$15 million for another item?

Mr. SPARKMAN. I do not know the precise amounts but I believe I know the items to which the Senator refers.

Mr. SALTONSTALL. Are those funds necessary, in the opinion of the Senator, to carry forward the program this year?

Mr. SPARKMAN. I believe they are. I would like to check with the committee before giving the Senator a more definite answer.

Mr. SALTONSTALL. I would appreciate that. The items were brought up by Mr. Weaver yesterday when we discussed the bill. Did I correctly understand the Senator to say that the report was unanimous?

Mr. SPARKMAN. Yes.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. KEATING. Do I correctly understand that the amendment adopted in the Senate which would provide Federal grants for plans to meet the problem of urban blight where families are moving out, has been retained in the conference report?

Mr. SPARKMAN. The amendment of the Senator from New York was retained exactly as proposed.

Mr. KEATING. I appreciate that action very much. I am sure it is in the national interest. I express my gratitude to the chairman of the committee and to the other conferees for retaining my amendment.

Mr. SPARKMAN. The conferees thought that it was a very good amend-

ment, and forward looking. We had some discussion about the limited scope of the urban planning assistance program to do physical planning and that this program is not now set up to do economic or industrial planning. However, once this was explained there was no difficulty in getting the House to agree to it.

Mr. President, this is a good bill, remarkably so, in fact, when one considers the difficulties of getting action this late in the session.

Because of the time limitation, the bills passed by each House were relatively modest extender bills. In addition to extending programs already on the books, changes were made to improve and make more workable existing programs.

Despite the many similarities in the two bills, the conferees were faced with the problem of resolving 66 items of differences; most of them were small but there were a few important ones which involved significant changes in the effectiveness of existing housing programs.

The conferees worked well together with open minds to consider the best features of the two bills before us. I have not made a count but both sides seemed to be satisfied that the provisions finally agreed to were about equally divided between the two bills.

To mention a few of the more important items, the Senate accepted House provisions for—

First, FHA higher mortgage ceilings;

Second, assistance to the provision of housing for the physically handicapped;

Third, a new direct loan program for the rehabilitation of property in urban renewal areas;

Fourth, grants to States for training of persons for community development programs.

Some of the more important items in the Senate bill accepted by the conferees are:

First, a new FHA requirement to correct substantial structural defects in mortgaged homes after recourse to the builder has failed;

Second, an expansion of the planning grant assistance program to help plan for communities suffering loss of Government contracts or closing of Federal installations;

Third, an expanded program of assistance for housing for domestic farm workers;

Fourth, authority to FNMA to sell beneficial interests secured by a pool of first mortgages.

In addition the conferees worked compromises on many items which were in both bills but on which there were differences. The most important of these is an expanded relocation assistance program to help both families and business establishments readjust in a new location after being displaced by urban renewal.

Both bills already contained identical provisions to carry out code enforcement activities and other programs to make the urban renewal program a more effective instrument for improving the housing of our cities.

The two big programs on which authorizations were involved were urban

renewal and public housing. The conferees agreed to an urban renewal authorization of an additional \$725 million and a public housing contract authorization of an additional 37,500 units. The conferees were satisfied that these amounts would be adequate to continue these programs at their present rate up to October 1, 1965.

One of the important features agreed to by the conferees was a provision to establish a uniform terminal date for expiring housing programs of October 1, 1965, and to provide for extensions of programs to that date.

One item, to which the conferees did not agree, which was in the House bill but not in the Senate bill, was the proposal to authorize FHA to establish a mutual fund for management-type cooperatives. Instead, the conferees agreed to put a statement in the Report of Managers of the House that the FHA would be requested to establish a separate insurance fund for this type of cooperative. In this way, if experience indicates, the FHA would be enabled to reduce the premium on the program from the present one-half of 1 percent to a lower figure. The 1961 Housing Act authorized the FHA to reduce insurance premiums so with the establishment of a separate insurance fund there should be no difficulty in having a reduction of premium for management cooperatives if experience indicates that a lower premium would adequately carry out the FHA purposes.

The amendment related to that subject was supported by the Senator from New York [Mr. JAVITS]. While we were not able to write the mutuality provision into the bill—probably it was a little premature since we had not fully examined all the basic facts relating to it—we agreed that we would ask the FHA to study the facts and to establish the proposed separate fund. Perhaps as time goes on the agency would have sufficient experience to enable it to carry out the intent of the proposal; that is, to reduce the FHA premium charges on this type of cooperation.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am glad to yield.

Mr. MANSFIELD. Would the Senator from Alabama consider withholding further consideration of the conference report pending the arrival of a Senator who is vitally interested in the subject?

Mr. SPARKMAN. There is one other item I should like to mention, and that is the beneficial legislation enacted by both Houses—partly by one and partly by the other—and agreed to in conference, relating to savings and loan associations. We know that over the last period of months, and in fact, over the last several years, there has been an unusually high level of savings. That is true not only in the savings and loan associations, but also in mutual savings banks, commercial banks, credit unions, and in every phase of the savings industry throughout the country. Savings and loan associations have reached the point at which they feel the necessity of reaching out and making loans on activities other than merely home mortgages.

They appealed very strongly to us for that authority. By giving this authority there was no intent to reduce the primary emphasis on home mortgage lending. We followed rather closely the recommendations of the Federal Home Loan Bank Board in those regards—not completely, but very closely. I think that that is the greatest amount of beneficial legislation to savings and loan associations that has been enacted in a very long time. We did not give them everything they wanted, but we gave them the great substance of what they wanted. I feel that it will be quite helpful.

Mr. President, the distinguished senior Senator from New York [Mr. JAVITS] is now in the Chamber. I stated at the conclusion of my earlier remarks that there was a matter in which he was deeply interested. I understand he wishes to make a brief statement.

Mr. JAVITS. Mr. President, I shall be extremely brief. The conference report contains many items which represent real innovations in the housing field. One to which I shall address myself in a moment, and which is of deep interest to many of us in New York and other States, is cooperative housing, which receives FHA mortgage insurance assistance under section 213 of the National Housing Act. There has always been a question as to whether the premium for FHA insurance on such mortgages should remain at the rate of one-half of 1 percent because of the excellent actuarial experience with this type of housing.

The 1961 Housing Act gave the Administrator the authority to reduce that premium, assuming that actuarial experience with this type of housing warranted it. But the Administrator has not used that authority, and has maintained the premium at the previous rate, contending that the reserve funds for the section 213's were not treated as separate from those for other, less successful programs. This has resulted in higher cost to those who are engaged in section 213 cooperative housing despite their excellent record.

An amendment was adopted in the other body which would in effect have reduced the premium by providing for a rebate at the termination of successful insurance; but in conference it was felt that that was too far-reaching a technique. However, the conferees were of one mind as to the desire to direct that, at long last, the much-deserved reduction in premium be put into effect. So the conference report states:

However, it is the desire of the conferees that FHA establish a separate management insurance fund for type section 213 mortgage insurance operations.

I wish only to express the feeling, which I understand to be the sentiment of the conferees this time, that we want that premium reduced, and not merely overlooked, as it has been for the last 3 years; and we direct that it should be done. The owners of this type of housing have done an extraordinarily fine job, both in maintenance and by making a success of their endeavors. Every penny counts with them. They are all people of modest incomes. This provision will be a highly desirable reward for

the continued fine performance which they have given and the fine example they have set in operating this type of housing. I have directed particular attention to this provision because in the past few years, although the authority was given, it has not been used.

I invite attention also to the fact that, at long last, we have recognized the modern possibilities in the field of construction using air rights over railroad tracks, bridge and tunnel entrances, and other open places, for low and moderate income housing, especially in the great cities where there is an increasing need for building space. Anyone who has recently crossed the George Washington Bridge in New York City and has seen the new high-rise apartments built using the air rights over the New York bridge entrance, will appreciate the vast possibilities that have been opened up for New York, Chicago, Boston, Philadelphia, Detroit, and every other big city in the country.

Also, we are at long last recognizing the plight of the homeowner in the occasional case, who suffers serious damage because of structural defects in his home, built with FHA mortgage insurance, which were not detected by the FHA inspection but were discovered only after the builder who was responsible for the construction had gone away or his corporation had collapsed and was no longer around to make good. In such circumstances, the FHA is authorized to repair the defect and to pursue the builder itself.

At long last, we are going to try to help the slum-clearance program by insisting that within 3 years there be practicable plans for an enforcement of an adequate building code. The distinguished Senator from Pennsylvania [Mr. CLARK] contributed to that result. It was my privilege to assist with my contribution.

I invite attention to a new provision for relocation of small business concerns which are displaced from urban renewal areas. The conference has authorized a payment for the loss of good will in the amount of \$1,500, although that is not as much as I and others would have liked it to be.

Finally, I am pleased that both Houses included a provision authorizing for the first time urban planning assistance to some of our hard-pressed larger counties.

I wish to pay tribute to our brothers in the House, led by Representative WIDNALL, who successfully carried through a new concept by providing a \$50 million loan fund for slum rehabilitation, in lieu of tearing down buildings now standing and building new ones. This will be of great benefit.

No one could have sat in the conference without paying tribute to the distinguished Senator from Alabama [Mr. SPARKMAN]. His interests were not personal as necessarily affecting his State; but so wide his range of interest and so understanding is his mind with respect to the housing problems of the great cities that he was the main instrument, on the Senate side, in bringing about what I believe should properly be hailed, not as a bare bones housing bill, as we

thought it would be, but as a milestone housing bill.

I wish also to pay tribute to Representative ALBERT RAINS, who is unfortunately retiring from Congress, who has led the other body on housing legislation, and to whom also we owe a great debt for his understanding of many of these problems. As was the case with the Senator from Alabama, these problems were not typical exclusively of his community; but the understanding and broad outlook which he brought to the conference were materially responsible for this result. All of us, without regard to party, especially those who come from large cities, are deeply indebted to Senator SPARKMAN and Representative RAINS and, of course, to all the other conferees.

Mr. SPARKMAN. Mr. President, I am grateful to the Senator from New York for his kind remarks. I join him in the tribute he pays to my fellow Alabamian, ALBERT RAINS, who will leave Congress voluntarily at the end of this session. It has been my good fortune that he has been chairman of the House Subcommittee on Housing for a good many years, while I was chairman of the Subcommittee on this side of the Capitol. We have had a delightful and harmonious working relationship. ALBERT RAINS has always been most cooperative and understanding, and has done masterly work in the field of housing over the years. His departure will be a great loss to Congress when he retires.

Mr. JAVITS. Mr. President, I call attention to an amendment which my colleague [Mr. KEATING] was most ingenious in drafting, to provide much-needed urban planning assistance in areas disadvantaged by the removal of defense installations. The amendment was accepted by the conferees. In this instance, too, both he and I owe a debt of gratitude to the Senator from Alabama for his support of this amendment, which was adopted on the floor of the Senate, which the Senator from Alabama felt was desirable, and which the other conferees fully supported.

Mr. SPARKMAN. The Senator from New York will recall that I said at the time that the amendment would tie in with the study the Small Business Committee is making over a period of months.

The Senator from New York is a member of the Small Business Committee.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Pennsylvania.

Mr. CLARK. I should like to note my concurrence in the kind words spoken by the Senator from New York about the outstanding work done by the chairman of the Senate Subcommittee on Housing, who was also the head of the senatorial conferees, the distinguished Senator from Alabama [Mr. SPARKMAN]. Through the years since I first came to the Senate, it has been my privilege every year to work under Senator SPARKMAN's kindly, intelligent guidance in bringing housing bills to the floor of the Senate, through the Senate, and into conference with the House.

His knowledge of the whole subject—and a vast subject it is—which is covered by these omnibus housing bills is unequaled by that of any other man in the country. I know of no more skillful negotiator, or any more genial and kindly presiding officer. Under his guidance there was a minimum of partisanship in connection with getting the important housing bill through the Senate and conference.

We have a big task to perform next year, as the Senator from Alabama knows, in writing a more permanent housing bill than we were able to write this year. To a large extent this bill, although excellent, is a stopgap measure intended to keep existing programs rolling until September 30, 1965.

There are many recommendations of the administration and many recommendations of members of the subcommittee, including myself, which we felt could not be handled in the limited time available to us this year. But under the leadership of the Senator from Alabama, we shall have a fine housing bill next year, which will go deeply into the many unsolved problems and go a long way toward assuring a safe and sanitary home to every American family, and the adequate rebuilding of our cities.

I cannot close without expressing my own deep regret for the breakup of the Alabama team. No two legislators have rendered greater service to their country in this highly important area of housing than Representative ALBERT RAINS and the Senator from Alabama [Mr. SPARKMAN]. Representative RAINS has been a stalwart in the other body as the Senator from Alabama [Mr. SPARKMAN] has been a stalwart in the Senate. We shall all miss Representative RAINS. I hope that his career in public service has not come to an end, and that in some way his enormous talents will again be enlisted in the service of his country. I personally shall miss him as a friend and shall miss him also as a wise and considerate legislator.

I also commend the Senator from Alabama for the excellent work which he has done in connection with the passage of the bill.

Mr. SPARKMAN. I am indebted to the Senator from Pennsylvania for his kind remarks.

Mr. SCOTT. Will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. SCOTT. Mr. President, I rise in support of the conference report on S. 3049, the Housing Act of 1964, and to congratulate the managers of this bill for an outstanding report.

I also want to call attention to a provision in the bill that is of special significance and benefit to many citizens of the Commonwealth of Pennsylvania who have suffered from the peculiar problem of mine subsidence or mine fires. I refer to section 311(a) which provides that when property damaged as a result of mine subsidence or underground mine fires is acquired by and for an urban renewal project the urban renewal authority purchasing such property will pay the difference between the present market value of the property and the

value held by such property at the time the damage occurred. In other words, owners of such property would be compensated, under this provision, for damage caused by mine subsidence on underground mine fires.

Credit for this provision should go to Representative JOSEPH M. McDADE of Pennsylvania, who, as a member of the House Banking and Currency Committee, was instrumental in its inclusion in this bill. Congressman McDADE represents a district whose inhabitants have been plagued by the problem of mine subsidence for several years. He has persistently sought relief for them for a long time.

As sponsor of S. 2614, a measure similar in intent to section 311(a) of S. 3049, I strongly urged the Senate conferees on this bill to preserve this section. My bill would authorize a local public agency, in determining the price to be paid for land which has been damaged by subsidence of underlying mines, to ignore any diminution of value occasioned by that subsidence. I am especially pleased by the conference committee's report and heartily endorse its adoption by the Senate.

Mr. SPARKMAN. I thank the Senator from Pennsylvania.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

TRIBUTE TO JAMES V. BENNETT, DIRECTOR OF U.S. BUREAU OF PRISONS

Mr. HAYDEN. Mr. President, the retirement of James V. Bennett at the end of this month will be a great loss to the Federal Government. I have been familiar with his work during all the 27 years that he has been Director of the U.S. Bureau of Prisons, and I have always had the utmost respect for him and for the organization he has so capably headed. His experience and his ability in the field of public administration are matched by few government executives.

The members of the Senate Committee on Appropriations have always had a pleasant relationship with Jim Bennett. We have found his budget requests to be modest and reasonable at all times. As a matter of fact, we have been markedly impressed by the extreme economy with which the Federal prison system has operated. The inspections that have been made each year by members of the committee suggest that Jim Bennett might, with justification, have asked for a more ample budget.

I have become further acquainted with the work of Jim's organization because of the location of three Federal prison camps in Arizona. These camps have made valuable contributions to the welfare of the areas in which they are situated. The men of the camp near Tucson built a difficult mountain road into the pine forest on the crest of Mount Lemmon, and are currently engaged in maintaining it. The more recently established camp near Safford is now building a similar road up the eastern

slope of Mount Graham, the top of which is over 10,000 feet above sea level. At all of the camps, including the one at Florence, the men have been of great assistance on a number of occasions in fighting forest fires. We are happy to have the Federal prison system in Arizona.

In my many contacts with Jim Bennett I have been tremendously impressed by his knowledge of the problems of our Government, especially in the field of law enforcement and the administration of justice. He has never been one to look upon these problems with pessimism. On the contrary, he has been ready with constructive suggestions and with support for worthy ideas advanced by others. He is of course internationally known as a prison administrator, but in my opinion his efforts to improve our system of criminal law are at least equally important. He has been a potent and effective spokesman in behalf of a rational approach to the problems of crime.

I know I am speaking for the entire Senate Appropriations Committee when I say that the Nation is indebted to Jim Bennett for all that he has done. I hope that his retirement means that, freed of his administrative duties, he will have more time to work for the many humanitarian causes with which he has been so long identified.

Mr. LONG of Missouri. Mr. President, I wish to take note today, along with a number of my distinguished colleagues, of the approaching retirement of Jim Bennett, the world-renown director of the Federal Prison System. Within a few days he will reach the mandatory retirement age for Federal service.

As chairman of the subcommittee on National Penitentiaries I have been closely associated with Dr. Bennett. I refer to him as "Dr." Bennett because his various honorary degrees include a degree as doctor of public administration from my own college, Culver-Stockton. He is also known throughout the international criminological field as "Dr." Bennett, as a tireless scientist, student, and teacher in the field of work he chose for his life's career.

His record is well known to all of us, and I will review it only briefly. He started Government service 45 years ago as an assistant investigator for the U.S. Bureau of Efficiency. One of his eventual assignments included an investigation of the Federal prisons beginning in 1926. Three years later he drafted a report for a congressional committee that led to the creation of the Bureau of Prisons in 1930. Mr. Sanford Bates, the Massachusetts commissioner of corrections who was appointed director of the new bureau, immediately appointed Jim as an assistant director.

In 1934, again as a result of legislation that Jim Bennett drafted, the Government corporation known as Federal Prison Industries, Inc., was created. Jim Bennett was appointed as its first commissioner, and the corporation thereafter was operated as an integral part of the Bureau of Prisons. At that time it sold \$4 or \$5 million in goods and services

annually. Today its annual sales come to \$40 million.

Jim Bennett became director of the Federal Prison System in 1937, a post which he held for the last 27 years. The five Federal institutions that existed when the Bureau of Prisons came into being in 1930 have multiplied into nearly 40—ranging from the big penitentiaries at Atlanta and Leavenworth to the pre-release guidance centers in the Nation's four largest cities. The Federal Prison System is known throughout the world as the best in the corrections field. It is no coincidence that Jim Bennett is also known as the most outstanding administrator in corrections.

Penal systems all over the world have benefited from the expertise collected by Jim Bennett and his associates. He was active in the International Penal and Penitentiary Congress from the early 1930's, and when its functions were taken over by the United Nations he participated as a leading American delegate in the 1955 and 1960 U.N. Congresses on the Prevention of Crime and the Treatment of Offenders. Right now he is engaged in helping to plan the Third U.N. Congress, scheduled for 1965 in Stockholm. Jim Bennett and members of his organization have visited many foreign countries in response to requests for prison surveys and technical advice. Immediately following World War II he also spent 6 months reorganizing the German civil prisons.

The experience and training of Federal prison personnel have been made available to innumerable States, counties, and communities. Former Federal prison officials now head the penal systems and institutions of a number of States. Missouri is one of the States which has benefited from Jim Bennett's help. A number of years ago he made a survey of our State penal system, and it marked a turning point. The Missouri system, headed by an individual whom Jim helped us to pick, has improved steadily ever since.

Jim Bennett belongs to a number of bar organizations, including the American Bar Association, the American Judicature Society, and the American Law Institute. He helped to draft the model penal code that is now influencing the reorganization of the penal codes of so many States. He has helped tremendously to obtain recognition in our American criminal law of the complex problems involved in the disposition of the many types of offenders, including the mentally ill or psychotic, who come before our courts.

One of his foremost interests has been the matter of sentencing, and naturally some of his greatest contributions have come in that area of interest. Early in his own prison career he became aware of the deficiencies and rigidities in both the Federal and State sentencing systems, and he began working toward improvements. In 1948 he successfully secured the enactment of special procedures for determining the competency of mentally ill offenders and for making disposition of them. In 1950 he and a number of associates obtained the enactment of the Federal Youth Corrections

Act, which for the first time introduced the indeterminate sentence into the Federal courts. In 1958 he was the chief adviser to Representative EMANUEL CELLER and my predecessor, the late Senator Tom Hennings, in getting an omnibus sentencing bill enacted. The bill was drafted by Jim Bennett, and gave the courts a great deal of additional latitude in tailoring sentences to the needs of defendants—diagnostic studies prior to final sentence, a range of discretion in imposing indeterminate sentences, an extension of the Youth Act to offenders in their early twenties, and a method for discharging parolees from supervision when their rehabilitation is assured.

The measure also included a provision authorizing the Federal judiciary to hold periodic seminars and institutes on sentencing. The purpose of the seminars was to develop more consistent standards of sentencing for the Federal district courts, and to eliminate the disparities and inappropriate sentences that Jim had worried about from the time he first entered prison work. Jim Bennett and the Administrative Office of the U.S. Courts have worked together in organizing and carrying out the sentencing institute program. The results are already apparent in improved sentencing standards, a somewhat smaller proportion of prison commitments, more use of probation, and fewer of the shocking disparities that caused President Kennedy so much work in clemency actions when he took office.

Jim Bennett has made many contributions to the improvement of criminal justice, and his work with the sentencing institutes has been among the most valuable. I trust that even in retirement he will remain active in the institute program as a consultant, speaker, and resource person. His great knowledge concerning criminals and justice should continue to be made available to our judiciary, as indeed it should wherever it is needed.

It was for this reason that our Subcommittee on National Penitentiaries printed a few months ago a collection of Jim Bennett's writings. He has been a most prolific penman and his articles and speeches cover almost every possible phase of the problems of crime and delinquency. It was the subcommittee's purpose to make this knowledge more widely available to Members of the Congress, law schools, and others associated in some way with the field of criminal justice. We have received many letters of approval for compiling and printing this material.

My preceding remarks have been concerned largely with the more formal aspects of Jim Bennett's work. But his day-to-day official life has actually been made up of the many personalities with whom he has come into contact—abnormal personalities, bizarre personalities sometimes, personalities of almost every conceivable kind. In these terms, as in others, his career has been a rich and varied one. It has been filled with much hope for the redirection of strayed lives, sometimes a great feeling of satisfaction when such hopes have been realized, sometimes the deep disappointment of

failure. But his interest in the people who have run afoul the law has never flagged for one moment. In my view it is Jim Bennett's humanitarian interest in other people that has made him so effective in instilling a measure of humanitarianism into the abstractions of our criminal law.

Mr. President, in closing I wish to express my congratulations to Jim Bennett for 45 years of solid achievement and to thank him for his labors as a public servant without peer.

Mr. KEATING. Mr. President, one of America's most distinguished public servants will retire on August 31. James V. Bennett, Director of the U.S. Bureau of Prisons, entered Government service exactly 45 years ago. His career has been marked by solid achievement, and I should like to join in an expression of appreciation for all that he has done.

I have long followed his career, for one reason because he has roots in the same part of New York State that I do. His father was for many years a parson at Sodus Point, and his mother was a schoolteacher. Jim himself was born near Rochester, at Silver Creek in Chautauqua County. As a youngster, he spent many summers working on his uncle's farm near Poughkeepsie.

Jim Bennett's contributions toward the improvement of criminal justice have been many. His work in making the Federal prison system the best in the world is only one. When I was a member of the House Judiciary Committee, he appeared before our various subcommittees on many occasions in support of measures intended to help the administration of justice, and he has appeared many times before subcommittees of the Senate Judiciary Committee. He has also labored among innumerable public and private groups in an effort to bring about a better understanding of the problems of criminal justice and how they might be resolved. In this connection, I was particularly pleased recently when the Senate Judiciary Committee printed a selection of his articles and speeches in a special document. The document will be of use to students and researchers in the field of criminal law for many years to come.

I should like to note here the fact that Jim Bennett did all that he could to make civil rights more meaningful many years before the Supreme Court decision of 1954 which marked a turning point in the civil rights movement. Although the segregation of races has long been traditional among American prisons, and still is, all traces of discrimination have been removed from our Federal prisons. The work, educational, training, and recreational activities have been integrated for as long as Jim Bennett has been Director, and the final integration of all housing units and dining rooms was accomplished not long after World War II. With this achievement, I think Jim Bennett demonstrated a valuable lesson to the entire Nation. If, with enlightened leadership, the races can be persuaded to work peacefully together in the emotionally difficult situation of a prison, they ought to be able to do so, also with enlightened leadership, in the free com-



An Act

78 STAT. 769

To extend and amend laws relating to housing, urban renewal, and community facilities, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Act of 1964". Housing Act of 1964.

TITLE I—AMENDMENTS TO THE NATIONAL HOUSING ACT

TIME LIMIT ON FHA RECOUPMENT OF TITLE I INSURANCE PAYMENTS

SEC. 101. Section 2(g) of the National Housing Act is amended by striking out "after December 31, 1957," 71 Stat. 297.
12 USC 1703.

MORTGAGE LIMITS FOR HOMES UNDER SECTION 203 PROGRAMS

SEC. 102. (a) Section 203(b)(2) of the National Housing Act is amended by striking out "\$25,000", "\$27,500", "\$27,500", and "\$35,000" and inserting in lieu thereof "\$30,000", "\$32,500", "\$32,500", and "\$37,500", respectively. 12 USC 1709.

(b) Section 203(i) of such Act is amended by striking out "\$9,000" and inserting in lieu thereof "\$11,000".

HOME IMPROVEMENT LOANS OUTSIDE OF URBAN RENEWAL AREAS

SEC. 103. Section 203(k) of the National Housing Act is amended by— 75 Stat. 157.
12 USC 1709.

(1) striking out in clause (2) "economically sound" and inserting in lieu thereof "an acceptable risk";

(2) striking out clause (4) and inserting in lieu thereof the following: "(4) insurance benefits shall be paid in cash out of the Section 203 Home Improvement Account or in debentures executed in the name of such Account"; and

(3) striking out in the third sentence "Debentures issued with respect to loans insured under this subsection shall be issued" and inserting in lieu thereof "Insurance benefits paid with respect to loans insured under this subsection shall be paid".

ADDITIONAL RELIEF FOR HOME MORTGAGORS IN DEFAULT DUE TO CIRCUMSTANCES BEYOND THEIR CONTROL

SEC. 104. (a) Section 204(a) of the National Housing Act is amended by striking out the fourth proviso and inserting in lieu thereof the following: "And provided further, That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor, he may, upon such terms and conditions as he may prescribe, (1) approve the request of the mortgagee for an extension of the time for the curing of the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property to such time as the Commissioner may determine is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means the Commissioner is authorized to include in the debentures an

73 Stat. 662.
12 USC 1710.

amount equal to any unpaid mortgage interest, or (2) approve a modification of the terms of the mortgage for the purpose of changing the amortization provisions by recasting, over the remaining term of the mortgage or over such longer period as may be approved by the Commissioner, the total unpaid amount then due, as determined by the Commissioner, with the modification to become effective currently or to become effective upon the termination of an agreed-upon extension of the period for curing the default; and the principal amount of the mortgage, as modified, shall be considered to be the 'original principal obligation of the mortgage' as that term is used in this Act for the purpose of computing the total face value of the debentures to be issued or the cash payment to be made by the Commissioner to a mortgagee".

73 Stat. 662.
12 USC 1715u.

(b) Section 230 of such Act is amended by striking out the first sentence and inserting in lieu thereof the following: "Upon receiving notice of the default of any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act, the Commissioner, in his discretion and for the purpose of avoiding foreclosure of the mortgage, and notwithstanding the fact that he has previously approved a request of the mortgagee for an extension of the time for curing the default and of the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, or has approved a modification of the mortgage for the purpose of changing the amortization provisions by recasting the unpaid balance, may acquire the loan and security therefor upon payment of the insurance benefits in an amount equal to the unpaid principal balance of the loan plus any unpaid mortgage interest plus reimbursement for such costs and attorney's fees as the Commissioner finds were properly incurred in connection with the defaulted mortgage and its assignment to the Commissioner, and for any proper advances theretofore made by the mortgagee under the provisions of the mortgage. After the acquisition of such mortgage by the Commissioner, the mortgagee shall have no further rights, liabilities, or obligations with respect thereto."

CHANGES IN FHA INSURANCE BENEFITS AND SIMPLIFICATION OF PAYMENT PROCEDURES

12 USC 1710.

SEC. 105. (a) Section 204 of the National Housing Act is amended by—

(1) striking out in the third sentence of subsection (a) the words "insurance on the mortgaged property, and any mortgage insurance premiums paid after either of such dates" and inserting in lieu thereof the following: "charges for the administration, operation, maintenance and repair of community-owned property or the maintenance and repair of the mortgaged property, the obligation for which arises out of a covenant filed for record and approved by the Commissioner prior to the insurance of the mortgage, insurance on the mortgaged property, and any mortgage insurance premiums";

(2) inserting after the colon following the second proviso of subsection (a) two additional provisos as follows: "*And provided further*, That with respect to a mortgage accepted for insurance pursuant to a commitment issued on or after the date of enactment of the Housing Act of 1964, the Commissioner may include in debentures or in the cash payment an amount not to exceed the foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner: *And provided further*, That with respect to a mortgage accepted for insurance pursuant to a commitment issued prior to the date of enactment

of the Housing Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures or in the cash payment, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee:";

(3) striking out "and the payment of insurance premiums" in the third proviso in subsection (a) (as numbered prior to the amendment made by paragraph (2)), and by inserting before the colon at the end of such proviso the following: "*: And provided further, That where the claim is paid in cash there shall be included in the cash payment an amount equivalent to the compensation for loss of debenture interest that would be included in computing debentures if such claim were being paid in debentures*"; 12 USC 1710.

(4) striking out "\$50" in the second sentence of subsection (c) and inserting in lieu thereof "\$350";

(5) striking out in the second sentence of subsection (d) "except that debentures issued pursuant to the provisions of section 220(f), section 221(g), and section 233 may be dated as of the date the mortgage is assigned (or the property is conveyed) to the Commissioner, and" and inserting in lieu thereof "*: Provided, That debentures issued pursuant to claims for insurance filed on or after the date of enactment of the Housing Act of 1964 shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures*"; 75 Stat. 180.
12 USC 1715k,
1715l, 1715x.

(6) (A) inserting "(1)" after "(e)" in subsection (e); striking out "The certificate" in such subsection and inserting in lieu thereof "Subject to paragraph (2), the certificate"; and adding at the end of such subsection a new paragraph as follows: 52 Stat. 14.
12 USC 1710.

"(2) A certificate of claim shall not be issued and the provisions of paragraph (1) of this subsection shall not be applicable in the case of a mortgage accepted for insurance pursuant to a commitment issued on or after the date of enactment of the Housing Act of 1964.";

(B) striking out "and a certificate of claim" in the second sentence of subsection (a) and inserting in lieu thereof "and (subject to subsection (e) (2)) a certificate of claim";

(7) striking out the first paragraph of subsection (f) and inserting in lieu thereof the following:

"(f) (1) If, after deducting (in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound accounting practice) the expenses incurred by the Commissioner, the net amount realized from any property conveyed to the Commissioner under this section and the claims assigned therewith exceed the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be divided as follows:";

(8) redesignating the second paragraph of subsection (f) as paragraph (i), and striking out "207; and" at the end of the paragraph and inserting in lieu thereof the following: "207: *Provided, That on and after the date of enactment of the Housing Act of 1964, any excess remaining after payment to the holder of the full amount of the certificate of claim, together with the accrued interest increment thereon, shall be retained by*

78 STAT. 772.

the Commissioner and credited to the applicable insurance fund; and";

52 Stat. 14.
12 USC 1710.

(9) redesignating the third paragraph of subsection (f) as paragraph (ii);

69 Stat. 635.
12 USC 1426 note.

(10) designating the last paragraph of subsection (f) as paragraph (2) and inserting the following before the period at the end thereof: " : *Provided*, That the settlement authority created by the Housing Amendments of 1955 shall be terminated with respect to any certificates of claim outstanding as of the date of enactment of the Housing Act of 1964"; and

(11) inserting at the end of subsection (f) a new paragraph as follows:

"(3) With the consent of the holder thereof, the Commissioner is authorized, without awaiting the final liquidation of the Commissioner's interest in the property, to settle any certificate of claim issued pursuant to subsection (e), with respect to which settlement had not been effected prior to the date of enactment of the Housing Act of 1964, by making payment in cash to the holder thereof of such amount not exceeding the face amount of the certificate of claim together with the accrued interest thereon, as the Commissioner may consider appropriate: *Provided*, That in any case where the certificate of claim is settled in accordance with the provisions of this paragraph, any amounts realized after the date of enactment of the Housing Act of 1964, in the liquidation of the Commissioner's interest in the property, shall be retained by the Commissioner and credited to the applicable insurance fund."

12 USC 1713.

(b) Section 207(g) of such Act is amended by adding at the end thereof the following: "Notwithstanding any other provision of this Act, upon receipt, after the date of enactment of the Housing Act of 1964, of an application for insurance benefits on a mortgage insured under this Act, the Commissioner may terminate the mortgagee's obligation to pay premium charges on the mortgage."

12 USC 1709,
1715k, 1715x.

(c) (1) Sections 203(k), 220(f) (3), 220(h) (6), and 233(g) of such Act are each amended by adding at the end thereof the following: "If the insurance payment is made in cash, there shall be added to such payment an amount equivalent to the interest which the debentures would have earned, computed to a date to be established pursuant to regulations issued by the Commissioner."

75 Stat. 153.
12 USC 17151.

(2) Section 221(g) (3) of such Act is amended by striking out "; or" at the end thereof and inserting in lieu thereof a period and the following: "If the insurance is paid in cash, there shall be added to such payment an amount equivalent to the interest which the debentures would have earned, computed to a date to be established pursuant to regulations issued by the Commissioner."

55 Stat. 58.
12 USC 1739.

(d) Section 604 of the National Housing Act is amended by—

(1) inserting after the colon following the first proviso in subsection (a) an additional proviso as follows: "*Provided further*. That with respect to any debentures issued on or after the date of enactment of the Housing Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee";

(2) striking out "\$50" in the second sentence of subsection (c) and inserting in lieu thereof "\$350";

(3) striking out "default, and" in the second sentence of subsection (d) and inserting in lieu thereof the following: "default, except that debentures issued pursuant to claims for insurance filed on or after the date of enactment of the Housing Act of 1964, shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures";

(4) striking out the first paragraph of subsection (f) and inserting in lieu thereof the following:

55 Stat. 60.
12 USC 1739.

"(f)(1) If, after deducting (in such manner and amount as the Commissioner shall determine to be equitable and in accordance with sound accounting practice) the expenses incurred by the Commissioner, the net amount realized from any property conveyed to the Commissioner under this section and the claims assigned therewith exceed the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be divided as follows:";

(5) redesignating the second paragraph of subsection (f) as paragraph (i), and striking out "property; and" at the end of the paragraph and inserting in lieu thereof the following: "property: *Provided*, That on and after the date of enactment of the Housing Act of 1964, any excess remaining after payment to the holder of the full amount of the certificate of claim shall be retained by the Commissioner and credited to the War Housing Insurance Fund; and";

(6) redesignating the third paragraph of subsection (f) as paragraph (ii);

(7) designating the last paragraph of subsection (f) as paragraph (2) and inserting the following before the period at the end thereof: "*Provided*, That the settlement authority created by the Housing Amendments of 1955 shall be terminated with respect to any certificate of claim outstanding as of the date of enactment of the Housing Act of 1964"; and

69 Stat. 635.
12 USC 1426
note.

(8) inserting at the end of subsection (f) a new paragraph as follows:

"(3) With the consent of the holder thereof, the Commissioner is authorized to settle, without awaiting the final liquidation of the Commissioner's interest in the property, any certificate of claim issued pursuant to subsection (e), with respect to which a settlement had not been effected prior to the date of enactment of the Housing Act of 1964, by making payment in cash to the holder thereof of such amount, not exceeding the face amount of the certificate of claim, together with the accrued interest increment thereon, as the Commissioner may consider appropriate: *Provided*, That in any case where the certificate of claim is settled in accordance with the provisions of this paragraph, any amounts realized after the date of enactment of the Housing Act of 1964, in the liquidation of the Commissioner's interest in the property, shall be retained by the Commissioner and credited to the applicable insurance fund."

(e) Section 904 of such Act is amended by—

65 Stat. 298.
12 USC 1750c.

(1) inserting after the colon following the first proviso in subsection (a) an additional proviso as follows: "*Provided further*, That with respect to any debentures issued on or after the date of enactment of the Housing Act of 1964, the Commissioner may, with the consent of the mortgagee (in lieu of issuing a certificate of claim as provided in subsection (e)), include in debentures, in addition to amounts otherwise allowed for such costs, an amount not to exceed one-third of the total foreclosure, acquisition, and conveyance costs actually paid by the mortgagee and approved

78 STAT. 774.

by the Commissioner, but in no event may the total allowance for such costs exceed the amount actually paid by the mortgagee:";

(2) striking out "\$50" in the second sentence of subsection (c) and inserting in lieu thereof "\$350"; and

(3) striking out "default, and" in the second sentence of subsection (d) and inserting in lieu thereof the following: "default, except that debentures issued pursuant to claims for insurance filed on or after the date of enactment of the Housing Act of 1964 shall be dated as of the date of default or as of such later date as the Commissioner, in his discretion, may establish by regulation. The debentures".

12 USC 1739,
1750c.

(f) Sections 604 and 904 of such Act are each amended by striking out in the third sentence of subsection (a) "paid after either of such dates".

MAXIMUM AMOUNT OF SECTION 207 RENTAL HOUSING MORTGAGES

64 Stat. 53.
12 USC 1713.

SEC. 106. Section 207(c)(2) of the National Housing Act is amended by striking out all that follows the first colon and preceding "to mortgages on housing in Alaska", and inserting in lieu thereof the following: "*Provided*, That this limitation shall not apply".

FAMILY UNIT LIMITS ON FHA RENTAL HOUSING

70 Stat. 1092.

SEC. 107. (a) Section 207(c)(3) of the National Housing Act is amended by striking out the first paragraph and inserting in lieu thereof the following:

"(3) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms or not to exceed \$1,800 per space or \$500,000 per mortgage for trailer courts or parks; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design, and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require."

73 Stat. 656.
12 USC 1715e.

(b) Section 213(b)(2) of such Act is amended by striking out all that precedes the third proviso and inserting in lieu thereof the following:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms, and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided*, That as to projects to consist of elevator-type structures the Commis-

sioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further*. That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require".

(c) Section 220(d)(3)(B)(iii) of such Act is amended to read as follows: 68 Stat. 598.
12 USC 1715k.

"(iii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require: *Provided*, That nothing contained in this subparagraph shall preclude the insurance of mortgages covering existing multifamily dwellings to be rehabilitated or reconstructed for the purposes set forth in subsection (a) of this section; and".

(d)(1) Section 221(d)(3)(ii) of such Act is amended to read as follows: 75 Stat. 150.
12 USC 1715l.

"(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require; and".

(2) Section 221(d)(4)(ii) of such Act is amended to read as follows:

"(ii) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improve-

ments as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this clause by not to exceed 45 per centum in any geographical area where he finds that cost levels so require;".

75 Stat. 183.
12 USC 1715v.

(e) Section 231(c)(2) of such Act is amended to read as follows:

"(2) not exceed, for such part of the property or project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$8,000 per family unit without a bedroom, \$11,250 per family unit with one bedroom, \$13,500 per family unit with two bedrooms, and \$17,000 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$9,500 per family unit without a bedroom, \$13,500 per family unit with one bedroom, \$16,000 per family unit with two bedrooms, and \$20,000 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require;".

73 Stat. 684.
12 USC 1748h-2.

(f) (1) Clause (2) in the first sentence of section 810(f) of such Act is amended by striking out "\$2,500 per room (or \$9,000 per family unit if the number of rooms in such property or project is less than four per family unit)" and inserting in lieu thereof "\$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms".

(2) The second sentence of section 810(f) of such Act is amended to read as follows: "The Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require."

(g) If the Federal Housing Commissioner determines that it would be inequitable to apply the provisions of the National Housing Act as amended by this section to a project which had been submitted for his consideration prior to the date of the enactment of this Act, such provisions may be applied to such project without regard to the amendments made by this section.

ELIMINATION OF MANDATORY ACQUISITION OR FORECLOSURE WITHIN ONE YEAR OF MULTIFAMILY PROJECT IN DEFAULT

52 Stat. 20.
12 USC 1713.

SEC. 108. Section 207(k) of the National Housing Act is amended by striking out the second sentence.

SUPPLEMENTARY COOPERATIVE LOANS UNDER SECTION 213(j)

SEC. 109. (a) Section 213(j)(1) of the National Housing Act is amended— 75 Stat. 179.
12 USC 1715e.

(1) by striking out “or” at the end of clause (A);
(2) by striking out the period at the end of clause (B) and inserting in lieu thereof “; or”; and

(3) by adding at the end thereof the following new clause:

“(C) Cooperative purchases and resales of memberships in order to provide necessary refinancing for resales of memberships which involve increases in equity; but in such resales by the cooperative the downpayments by the new members shall not be less than those made on the original sales of such memberships.”

(b) Section 305(e) of such Act is amended by adding at the end thereof the following new sentence: “Without regard to any of the limitations of this subsection except the total amount of authorizations available, the Association is authorized to enter into advance commitment contracts and purchase transactions on supplementing cooperative loans with respect to which the Federal Housing Commissioner shall have issued, pursuant to section 213(j), either a commitment to insure or a statement of eligibility; but such commitments and purchases shall be made solely where there is a management-type cooperative involved which is certified by the Federal Housing Commissioner as a consumer cooperative.” 71 Stat. 299;
73 Stat. 669.
12 USC 1720.

MORTGAGE LIMITS UNDER SECTION 220 SALES HOUSING MORTGAGE INSURANCE PROGRAM

SEC. 110. Section 220(d)(3)(A)(i) of the National Housing Act is amended by striking out “\$25,000”, “\$27,500”, “\$30,000”, “\$35,000”, and “\$35,000” and inserting in lieu thereof “\$30,000”, “\$32,500”, “\$32,500”, “\$37,500”, and “\$37,500”, respectively. 12 USC 1715k.

MORTGAGE LIMITS UNDER SECTION 220 MULTIFAMILY HOUSING MORTGAGE INSURANCE PROGRAM

SEC. 111. Section 220(d)(3)(B)(i) of the National Housing Act is amended by striking out “\$20,000,000” and inserting in lieu thereof “\$30,000,000”. 73 Stat. 658.

LOANS TO COVER THE COST OF PUBLIC IMPROVEMENTS

SEC. 112. (a) The second sentence of section 220(h)(1) of the National Housing Act is amended to read as follows: “As used in this subsection— 75 Stat. 154.

“(A) the term ‘home improvement loan’ means a loan, advance of credit, or purchase of an obligation representing a loan or advance of credit made—

“(i) for the purpose of financing the improvement of an existing structure (or in connection with an existing structure) which was constructed not less than ten years prior to the making of such loan, advance of credit, or purchase, and which is used or will be used primarily for residential purposes: *Provided*, That a home improvement loan shall include a loan, advance, or purchase with respect to the improvement of a structure which was constructed less than ten years prior to the making of such loan, advance, or purchase if the proceeds are or will be used primarily for major structural improvements, or to correct defects which were not known at the time of the completion of the structure or

which were caused by fire, flood, windstorm, or other casualty; or

“(ii) for the purpose of enabling the borrower to pay that part of the cost of the construction or installation of sidewalks, curbs, gutters, street paving, street lights, sewers, or other public improvements, adjacent to or in the vicinity of property owned by him and used primarily for residential purposes, which is assessed against him or for which he is otherwise legally liable as the owner of such property;

“(B) the term ‘improvement’ means conservation, repair, restoration, rehabilitation, conversion, alteration, enlargement, or remodeling; and

“(C) the term ‘financial institution’ means a lender approved by the Commissioner as eligible for insurance under section 2 or a mortgagee approved under section 203(b)(1).”

12 USC 1703,
1709.

75 Stat. 155.

12 USC 1715k.

(b) Section 220(h)(2)(i) of such Act is amended by inserting before the semicolon at the end thereof the following: “, and be limited as required by paragraph (11)”.

(c) Section 220(h) of such Act is further amended by adding at the end thereof the following new paragraph:

“(11) Notwithstanding any other provision of this Act, no home improvement loan made in whole or in part for the purpose specified in clause (A)(ii) of the second sentence of paragraph (1) shall be insured under this subsection if such loan (or the portion thereof which is attributable to such purpose), when added to the aggregate principal balance of any outstanding loans insured under this subsection or section 203(k) which were made to the same borrower for the purpose so specified (or the portion of such aggregate balance which is attributable to such purpose), would exceed \$10,000.”

HOME IMPROVEMENT LOANS ON PROPERTY HELD UNDER LEASE

SEC. 113. Section 220(h)(2)(vi) of the National Housing Act is amended by striking out “a period of not less than 50 years to run from the date of the loan” and inserting in lieu thereof “an expiration date in excess of 10 years later than the maturity date of the loan”.

FIIA SECTION 221 HOUSING FOR LOW- OR MODERATE-INCOME PERSONS

SEC. 114. (a) Section 221(d)(3) of the National Housing Act is amended by inserting after “or association” the following: “, or other mortgagor approved by the Commissioner, and”.

68 Stat. 599.

12 USC 1715l.

(b) Subsection (e) of section 221 of such Act is amended to read as follows:

“(e)(1) A mortgagor which may be approved by the Commissioner as provided in subsection (d)(3) includes a mortgagor which, as a condition of obtaining insurance of the mortgage and prior to the submission of its application for such insurance, has entered into an agreement (in form and substance satisfactory to the Commissioner) with a private nonprofit corporation eligible for an insured mortgage under the provisions of subsection (d)(3), that the mortgagor will sell the project when it is completed to the corporation at the actual cost of the project, as certified pursuant to section 227 of this Act. The mortgagor to whom the property is sold shall be regulated or supervised by the Commissioner as provided in subsection (d)(3) to effectuate its purposes.

12 USC 1715r.

“(2) The Commissioner may at any time, under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instrument secured

thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage."

(c) Section 221(d)(3) of such Act is amended by inserting before the colon at the end of the first proviso in clause (iii): "*Provided further*, That in the case of any mortgagor other than a nonprofit corporation or association, cooperative (including an investor-sponsor), or public body, or a mortgagor meeting the special requirements of subsection (e)(1), the amount of the mortgage shall not exceed 90 per centum of the amount otherwise authorized under this section". 75 Stat. 150.
12 USC 17151.

(d) The last sentence of section 221(f) of such Act is amended by striking out "July 1, 1965", each place it appears, and inserting in lieu thereof "September 30, 1965".

MORTGAGE INSURANCE FOR SERVICEMEN

SEC. 115. Section 222(b) of the National Housing Act is amended— 71 Stat. 296;

(1) by striking out "203(b) or 203(i)" in paragraph (1) and inserting in lieu thereof "203(b), 203(i), or 221(d)(2),"; and 75 Stat. 661.
12 USC 1715m.

(2) by striking out "such principal obligation shall not exceed \$9,000" in paragraph (2) and inserting in lieu thereof "or section 221(d)(2) such principal obligation shall not exceed the maximum limits prescribed for such section". 12 USC 1709,
17151.

PRIVATE FINANCING OF SALE OF FHA-ACQUIRED PROPERTIES

SEC. 116. Section 223(c) of the National Housing Act is amended by striking out "limitation upon eligibility contained in this title II" and inserting in lieu thereof the following: "limitations or requirements contained in this title upon the eligibility of the mortgage, upon the payment of insurance premiums, or upon the terms and conditions of insurance settlement and the benefits of the insurance to be included in such settlement (except that in any case the payment of insurance shall be in debentures)". 68 Stat. 605;
75 Stat. 154.
12 USC 1715n.

MORTGAGE INSURANCE FOR NONPROFIT NURSING HOMES

SEC. 117. Section 232(b)(1) of the National Housing Act is amended by inserting after "proprietary facility" the following: "or facility of a private nonprofit corporation or association". 73 Stat. 663.
12 USC 1715w.

EXPERIMENTAL HOUSING

SEC. 118. (a) Section 233(a) of the National Housing Act is amended by striking out "in the case of mortgages insured under subsection (b)(2) of this section, advances on such mortgages" and inserting in lieu thereof "home improvement loans, and including advances on mortgages". 75 Stat. 158.
12 USC 1715x.

(b) Section 233(b) of such Act is amended to read as follows:

"(b) To be eligible for insurance under this section, a mortgage shall meet the requirements of one of the other sections of this title; except that, in lieu of determining the appraised value or the replacement cost of the property in cases involving new construction or the estimated cost of repair and rehabilitation or improvement in cases involving existing properties, the Commissioner shall estimate the cost of replacing the property using comparable conventional design, materials, and construction, and any limitation upon the maximum mortgage amount available to a nonoccupant owner shall not, in the discretion of the Commissioner, be applicable to mortgages insured under this section."

75 Stat. 158.
12 USC 1715x.

(c) Section 233 of such Act is further amended by striking out subsections (e) and (f) and inserting in lieu thereof the following:

“(e) Any mortgagee or lender under a mortgage insured under subsection (b) shall be entitled to insurance benefits determined in the same manner as such benefits would be determined if such mortgage or loan were insured under the section of this title for which it otherwise would have been eligible except for the experimental feature of the property involved.”

(d) Section 233 of such Act is further amended by redesignating subsections (g) and (h) as subsections (f) and (g), respectively, and by striking out “subsections (e) and (f)” in the first sentence of the subsection so redesignated as subsection (f) and inserting in lieu thereof “subsection (e)”.

MORTGAGE INSURANCE FOR CONDOMINIUMS

75 Stat. 160.
12 USC 1715y.

SEC. 119. (a) Section 234 of the National Housing Act is amended—

(1) by striking out the heading and inserting in lieu thereof “MORTGAGE INSURANCE FOR CONDOMINIUMS”;

(2) by striking out “structure” each place it appears and inserting in lieu thereof “project” (and by striking out “structures” in the last sentence of subsection (c) and inserting in lieu thereof “projects”);

(3) by striking out “the term ‘mortgage’ for the purposes of this section” in subsection (b) and inserting in lieu thereof “the term ‘mortgage’ for the purposes of subsection (c)”;

(4) (A) by striking out “this section” each time it appears in subsection (c) and inserting in lieu thereof “this subsection”;

(B) by striking out “under another section” in the first sentence of subsection (c) and inserting in lieu thereof “under any section”;

12 USC 1715e.

(5) by striking out “section 213” each time it appears in subsection (c) and inserting in lieu thereof “section 213(a) (1) and (2)”;

(6) by striking out the third sentence of subsection (c) and inserting in lieu thereof the following: “To be eligible for insurance pursuant to this subsection, a mortgage shall (A) involve a principal obligation in an amount not to exceed \$30,000, and not to exceed the sum of (i) 97 per centum of \$15,000 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of \$15,000 but not in excess of \$20,000, and (iii) 75 per centum of such value in excess of \$20,000, and (B) have a maturity satisfactory to the Commissioner, but not to exceed, in any event, thirty-five years from the date of the beginning of amortization of the mortgage or three-fourths of the Commissioner’s estimate of the remaining economic life of the project, whichever is the lesser.”;

(7) by redesignating subsection (d) as subsection (g), by redesignating subsections (e) and (f) as subsections (i) and (j), respectively, and by inserting after subsection (c) the following new subsections:

“(d) In addition to individual mortgages insured under subsection (c), the Commissioner is authorized, in his discretion and under such terms and conditions as he may prescribe, to insure blanket mortgages (including advances on such mortgages during construction) which cover multifamily projects to be constructed or rehabilitated in cases where the mortgage is held by a mortgagor, approved by the Commissioner, which—

"(1) has certified to the Commissioner, as a condition of obtaining the insurance of a blanket mortgage under this subsection, that upon completion of the multifamily project covered by such mortgage it intends to commit the ownership of the multifamily project to a plan of family unit ownership under which each family unit would be eligible for individual mortgage insurance under subsection (c) and will faithfully and diligently make and carry out all reasonable efforts to establish such plan of family unit ownership and to sell such family units to purchasers approved by the Commissioner; and

"(2) shall be regulated or restricted by the Commissioner as to rents, charges, capital structure, rate of return, and methods of operation until the termination of all obligations of the Commissioner under the insurance and during such further period of time as the Commissioner shall be the owner, holder, or reinsurer of the mortgage. The Commissioner may make such contracts with and acquire for not to exceed \$100 such stock or interest in such mortgagor as he may deem necessary to render effective the regulation and restriction of such mortgagor. The stock or interest acquired by the Commissioner shall be paid for out of the Apartment Unit Insurance Fund, and shall be redeemed by the mortgagor at par at any time upon the request of the Commissioner after the termination of all obligations of the Commissioner under the insurance.

"(e) To be eligible for insurance, a blanket mortgage on any multifamily project of a mortgagor of the character described in subsection (d) shall involve a principal obligation in an amount—

"(1) not to exceed \$20,000,000, or not to exceed \$25,000,000 if the mortgage is executed by a mortgagor regulated or supervised, under Federal or State law or by a political subdivision of a State or any agency thereof, as to rents, charges, and methods of operation;

"(2) not to exceed 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the project when the proposed physical improvements are completed;

"(3) not to exceed, for such part of the project as may be attributable to dwelling use (excluding exterior land improvements as defined by the Commissioner), \$9,000 per family unit without a bedroom, \$12,500 per family unit with one bedroom, \$15,000 per family unit with two bedrooms, and \$18,500 per family unit with three or more bedrooms; except that as to projects to consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitations per family unit to not to exceed \$10,500 per family unit without a bedroom, \$15,000 per family unit with one bedroom, \$18,000 per family unit with two bedrooms, and \$22,500 per family unit with three or more bedrooms, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design; and except that the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations contained in this paragraph by not to exceed 45 per centum in any geographical area where he finds that cost levels so require; and

"(4) not to exceed an amount equal to the sum of the unit mortgage amounts determined under the provisions of subsection (c) assuming the mortgagor to be the owner and occupant of each family unit.

"(f) Any blanket mortgage insured under subsection (d) shall provide for complete amortization by periodic payments within such

term as the Commissioner may prescribe but not to exceed forty years from the beginning of amortization of the mortgage, and shall bear interest (exclusive of premium charges for insurance) at not to exceed $5\frac{1}{4}$ per centum per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the blanket mortgage upon such terms and conditions as he may prescribe and the blanket mortgage may provide for such release. The project covered by the blanket mortgage may include five or more family units and such commercial and community facilities as the Commissioner deems adequate to serve the occupants.”;

(8) by striking out “this section” each time it appears in the subsection redesignated as subsection (g) by paragraph (7) of this subsection and inserting in lieu thereof “subsection (c) of this section”;

(9) by inserting after the subsection redesignated as subsection (g) by paragraph (7) of this subsection the following new subsection:

12 USC 1713.

“(h) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall be applicable to mortgages insured under subsection (d) of this section, except that all references to the Housing Insurance Fund, or Housing Fund, shall be construed to refer to the Apartment Unit Insurance Fund.”; and

(10) by amending the subsection redesignated as subsection (j) by paragraph (7) of this subsection to read as follows:

12 USC 1715p,
1715u.

“(j) The provisions of sections 225 and 230 shall be applicable to the mortgages insured under subsection (c) of this section.”

12 USC 1715c.

(b) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: “The provisions of this section shall also apply to the insurance of any mortgage under section 234(d).”

Ante, p. 780.

12 USC 1715r.

(c) Section 227(a) of such Act is amended by striking out “or (vii)” and inserting in lieu thereof “(vii)”, and by inserting before the semicolon at the end thereof “, or (viii) under section 234(d)”.

PREPAYMENT OF MORTGAGES BY NONPROFIT EDUCATIONAL INSTITUTIONS

12 USC 1731a-
1734.

SEC. 120. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

“PREPAYMENT OF MORTGAGES BY NONPROFIT EDUCATIONAL INSTITUTIONS

“SEC. 517. (a) Notwithstanding any other provision of this Act, no adjusted premium charge shall be collected in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor certifies to the Commissioner that the loan was paid in full by or on behalf of a nonprofit educational institution which intends to use the property for educational purposes.

“(b) The Commissioner shall refund any adjusted premium charge collected subsequent to July 1, 1962, and prior to the date of the enactment of the Housing Act of 1964, in connection with the payment in full, prior to maturity, of any mortgage insured under this Act, if the mortgagor under such mortgage makes the certification prescribed by subsection (a).”

CORRECTION OF SUBSTANTIAL DEFECTS IN MORTGAGED HOMES

SEC. 121. Title V of the National Housing Act is amended by adding after section 517 (added by section 120 of this Act) the following new Ante, p. 782. section:

"EXPENDITURES TO CORRECT OR COMPENSATE FOR SUBSTANTIAL DEFECTS IN
MORTGAGED HOMES

"SEC. 518. (a) The Commissioner is authorized, with respect to any property improved by a one- to four-family dwelling approved for mortgage insurance prior to the beginning of construction which he finds to have structural defects, to make expenditures for (1) correcting such defects, (2) paying the claims of the owner of the property arising from such defects, or (3) acquiring title to the property: *Provided*, That such authority of the Commissioner shall exist only (A) if the owner has requested assistance from the Commissioner not later than four years (or such shorter time as the Commissioner may prescribe) after insurance of the mortgage, and (B) if the property is encumbered by a mortgage which is insured under this Act after the date of enactment of the Housing Act of 1964.

"(b) The Commissioner shall by regulations prescribe the terms and conditions under which expenditures and payments may be made under the provisions of this section, and his decisions regarding such expenditures or payments, and the terms and conditions under which the same are approved or disapproved, shall be final and conclusive and shall not be subject to judicial review."

TITLE II—HOUSING FOR THE ELDERLY AND HANDICAPPED

HOUSING FOR THE ELDERLY—LOAN PROGRAM

SEC. 201. Section 202(a) (4) of the Housing Act of 1959 is amended by striking out "\$275,000,000" and inserting in lieu thereof "\$350,000,000".

73 Stat. 367;
77 Stat. 278.
12 USC 1701q.

FHA SECTION 221 HOUSING FOR LOW- OR MODERATE-INCOME ELDERLY PERSONS

SEC. 202. Section 221(f) of the National Housing Act is amended by adding at the end thereof the following new sentence: "Any person sixty-two years of age or over shall be deemed to be a family within the meaning of the terms 'family' and 'families' as those terms are used in this section."

68 Stat. 599;
Post, p. 784.
12 USC 17151.

HOUSING FOR THE HANDICAPPED

SEC. 203. (a) (1) The heading of title II of the Housing Act of 1959 is amended by striking out "HOUSING FOR THE ELDERLY" and inserting in lieu thereof "HOUSING FOR THE ELDERLY OR HANDICAPPED".

(2) Section 202 of such Act is amended—

(A) by striking out "elderly families and elderly persons" wherever it appears in subsections (a) (1), (a) (2), and (e) and inserting in lieu thereof in each instance "elderly or handicapped families";

(B) by amending subsection (d) (1) to read as follows:

"(1) The term 'housing' means structures suitable for dwelling use by elderly or handicapped families which are (A) new struc-

"Housing."

"Elderly or handicapped families."

"Related facilities."

Ante, p. 783.

73 Stat. 367.
12 USC 1701q.
73 Stat. 665.
12 USC 1715v.

Post, p. 794.

75 Stat. 165.
42 USC 1436.

tures, or (B) provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for proposed dwelling use by such families.";

(C) by striking out the first sentence of subsection (d) (4) and inserting in lieu thereof the following: "The term 'elderly or handicapped families' means families which consist of two or more persons and the head of which (or his spouse) is sixty-two years of age or over or is handicapped, and such term also means a single person who is sixty-two years of age or over or is handicapped. A person shall be considered handicapped if such person is determined, pursuant to regulations issued by the Administrator, to have a physical impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions.";

(D) by inserting before the period at the end of subsection (d) (7) the following: "or rehabilitation, alteration, conversion, or improvement of existing structures"; and

(E) by amending subsection (d) (8) to read as follows: "(8) The term 'related facilities' means (A) new structures suitable for use by elderly or handicapped families as cafeterias or dining halls, community rooms or buildings, workshops, or infirmaries or other inpatient or outpatient health facilities, or other essential service facilities, and (B) structures suitable for the above uses provided by rehabilitation, alteration, conversion, or improvement of existing structures which are otherwise inadequate for such uses."

(b) The last sentence of section 221(f) of the National Housing Act (as added by section 202 of this Act) is amended by striking out "person sixty-two years of age or over" and inserting in lieu thereof "person who is sixty-two years of age or over, or who is a handicapped person within the meaning of section 202 of the Housing Act of 1959".

(c) Section 231 of such Act is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any of the provisions of this section, the housing provided under this section may include family units which are specially designed for the use and occupancy of any person or family qualifying as a handicapped family as defined in section 202 of the Housing Act of 1959, and such special facilities as the Commissioner deems adequate to serve handicapped families (as so defined). The Commissioner may also prescribe procedures to secure to such families preference or priority of opportunity to rent the living units specially designed for their use and occupancy."

(d) The second sentence of section 2(2) of the United States Housing Act of 1937 (as amended by section 401(a) of this Act) is amended by inserting after "and includes" the following: "a single person who is handicapped within the meaning of section 202 of the Housing Act of 1959 or who is".

(e) Section 207 of the Housing Act of 1961 (as amended by section 407 of this Act) is further amended by inserting before the period at the end of the first sentence the following: "and of demonstrating the types of housing and the means of providing housing that will assist low income persons or families who qualify as handicapped families as defined in section 202 of the Housing Act of 1959".

TITLE III—URBAN RENEWAL

CODE ENFORCEMENT

SEC. 301. (a) Section 101(c) of the Housing Act of 1949 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: “: *Provided further*, That commencing three years after the date of enactment of the Housing Act of 1964, no workable program shall be certified or re-certified unless (A) the locality has had in effect, for at least six months prior to such certification or re-certification, a minimum standards housing code, related but not limited to health, sanitation, and occupancy requirements, which is deemed adequate by the Administrator, and (B) the Administrator is satisfied that the locality is carrying out an effective program of enforcement to achieve compliance with such housing code.” 68 Stat. 623.
42 USC 1451.

(b) The first sentence of section 110(c) of such Act is amended by inserting after “or rehabilitation or conservation in an urban renewal area,” the following: “or a program of code enforcement in an urban renewal area.” 70 Stat. 1097.
42 USC 1460.

(c) Paragraph (5) of the second sentence of section 110(c) of such Act is amended by (1) striking out “a program of” and inserting in lieu thereof “programs of code enforcement or”, and (2) adding before the semicolon at the end of such paragraph the following: “: *Provided*, That no program of code enforcement shall be included as part of an urban renewal project unless the locality shall agree to increase its total expenditures with respect to code enforcement, during the period such project is under contract for a loan or capital grant, by an amount equal to the required local grants-in-aid with respect to the code enforcement included as part of such project”.

(d) Any contract for a capital grant under title I of the Housing Act of 1949, executed prior to the date of enactment of this Act, may be amended to incorporate the provisions of subsection (c) for costs incurred on or after such date. 42 USC 1450-
1464;
Post, p. 788.

SELF-HELP PROGRAMS FOR COMMUNITY IMPROVEMENT

SEC. 302. Section 101(d) of the Housing Act of 1949 is amended by inserting immediately after “local urban renewal programs” the following: “(including rehabilitation projects requiring no additional assistance under this title or self-liquidating redevelopment projects)”.

LOAN CONTRACT FOR TWO OR MORE PROJECTS

SEC. 303. (a) Section 102(a) of the Housing Act of 1949 is amended by adding at the end thereof the following: “Notwithstanding any other provision of this title, the Administrator may make a temporary loan, as described in the first two sentences of this subsection, for two or more urban renewal projects being carried out by the same local public agency. The principal amount of any such loan which is outstanding at any one time shall not exceed the estimated expenditures to be made by the local public agency for such projects.” 63 Stat. 414.
42 USC 1452.

(b) Section 110(g) of such Act is amended by striking out in the first sentence thereof the words “for any project”.

CAPITAL GRANT AUTHORIZATION

SEC. 304. Section 103(b) of the Housing Act of 1949 is amended by striking out “not to exceed \$4,000,000,000” and inserting in lieu thereof “not to exceed \$4,725,000,000”. 75 Stat. 166.
42 USC 1453.

RELOCATION OF DISPLACED FROM URBAN RENEWAL AREAS

63 Stat. 416.
42 USC 1455.

SEC. 305. (a)(1) Section 105(c) of the Housing Act of 1949 is amended by striking out "families" wherever it appears and inserting in lieu thereof "individuals and families".

(2) The requirement imposed by the amendments made by paragraph (1) shall not be applicable to any project receiving Federal recognition prior to the date of the enactment of this Act.

(b) Section 105(c) of such Act is further amended by inserting before the period at the end thereof the following: ": *Provided*, That the Administrator shall issue rules and regulations to aid in implementing the requirements of this subsection and in otherwise achieving the objectives of this title which shall require that there be established, at the earliest practicable time, for each urban renewal project involving the displacement of families, individuals, or business concerns occupying property in an urban renewal area, a relocation assistance program which shall include such measures, facilities, and services as may be necessary or appropriate in order (1) to determine the needs of such families, individuals, and business concerns for relocation assistance, (2) to provide information and assistance to aid in relocation and otherwise minimize the hardships of displacement, and (3) to assure the necessary coordination of relocation activities with other project activities and other planned or proposed governmental actions in the community which may affect the carrying out of the relocation program".

72 Stat. 389.
15 USC 637.

(c) Section 8(b) of the Small Business Act is amended—

(1) by striking out "and" at the end of paragraph (12);

(2) by striking out the period at the end of paragraph (13) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (13) the following new paragraph:

"(14) to provide at the earliest practicable time such information and assistance as may be appropriate, including information concerning eligibility for loans under section 7(b)(3), to local public agencies (as defined in section 110(h) of the Housing Act of 1949) and to small-business concerns to be displaced by federally aided urban renewal projects in order to assist such small-business concerns in reestablishing their operations."

75 Stat. 167.
15 USC 636.
68 Stat. 626.
42 USC 1460.

DISPOSAL OF LAND FOR LOW- AND MODERATE-INCOME HOUSING

SEC. 306. Subsections (a) and (b) of section 107 of the Housing Act of 1949 are amended to read as follows:

73 Stat. 674;
75 Stat. 168.
42 USC 1457.

"(a) Upon approval of the Administrator and subject to such conditions as he may determine to be in the public interest, any real property held as part of an urban renewal project may be made available to (1) a limited dividend corporation, nonprofit corporation or association, cooperative, or public body or agency, or (2) a purchaser who would be eligible for a mortgage insured under section 221(d)(3) or (d)(4) of the National Housing Act, for purchase at fair value for use by such purchaser in the provision of new or rehabilitated rental or cooperative housing for occupancy by families or individuals of moderate income.

73 Stat. 660;
75 Stat. 150.
12 USC 17151.

"(b) When it appears in the public interest that real property acquired as part of an urban renewal project should be used in whole or in part for a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act, the property shall be made available to the

50 Stat. 888.
42 USC 1430.

public housing agency undertaking the low-rent housing project at a price equal to its fair value, as determined in accordance with subsection (a), and such amount shall be included as part of the development cost of such low-rent housing project: *Provided*, That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act, or by analogous provisions in legislation authorizing such State or local program, with respect to the low-rent housing project into which such property was incorporated on or after September 23, 1959, shall (if covered by a contract which, in the determination of the Public Housing Commissioner, will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act, or by provisions found by the Administrator to give equivalent assurance in the case of State or local programs) be accepted as a local grant-in-aid equal in amount, as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such property (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act."

68 Stat. 631;
Post, p. 795.
42 USC 1410.

68 Stat. 626.
42 USC 1460.

REHABILITATION OF PROPERTY IN URBAN RENEWAL AREAS

SEC. 307. Section 110(c) of the Housing Act of 1949 is amended by adding immediately after and below paragraph (7) the following new paragraph:

70 Stat. 1097.

"Notwithstanding any other provision of this title, no contract shall be entered into for any loan or capital grant under this title for any project which provides for demolition and removal of buildings and improvements unless the Administrator determines that the objectives of the urban renewal plan could not be achieved through rehabilitation of the project area."

PROJECTS INVOLVING THE ACQUISITION AND DEVELOPMENT OF AIR RIGHTS SITES

SEC. 308. (a) Section 110(c)(1) of the Housing Act of 1949 is amended by—

(1) inserting a new clause (iv) before the proviso to read as follows: ", or (iv) air rights in an area consisting principally of land in highways, railway or subway tracks, bridge or tunnel entrances, or other similar facilities which have a blighting influence on the surrounding area and over which air rights sites are to be developed for the elimination of such blighting influences and for the provision of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income";

(2) striking out in the proviso "an open land project" and inserting in lieu thereof "projects under clauses (iii) and (iv) hereof"; and

(3) adding before the semicolon at the end thereof the following: ": *Provided further*, That the aggregate amount of capital grants for projects under clause (iv) shall not exceed 5 per centum of the aggregate amount of grants authorized by this title to be contracted for after the date of enactment of the Housing Act of 1964".

78 STAT. 788.

70 Stat. 1097;
 75 Stat. 168.
 42 USC 1460.

(b) Section 110(c) of such Act is further amended by—

(1) striking out “and” at the end of paragraph (6), and redesignating paragraph (7) as paragraph (8);

(2) inserting after paragraph (6) a new paragraph as follows:

“(7) construction of foundations and platforms necessary for the provision on air rights sites of housing (and related facilities and uses) designed specifically for, and limited to, families and individuals of low or moderate income; and”; and

(3) striking out “paragraph (7)” in the third sentence (as numbered prior to the amendments made by this Act) and inserting in lieu thereof “paragraphs (7) and (8)”.

(c) Section 110(d) of such Act is amended by striking out “project)” and inserting in lieu thereof “project, or of air rights over streets, alleys, and other public rights-of-way)”.

(d) Section 110(e) of such Act is amended by striking out “and (7)” in clause (i) and inserting in lieu thereof “(7), and (8)”.

AMENDMENT OF DEFINITION OF “GOING FEDERAL RATE”

68 Stat. 626.

SEC. 309. Section 110(g) of the Housing Act of 1949 is amended by striking out the last sentence and inserting in lieu thereof the following: “Any contract for a loan or advance, authorized by the Administrator after the date of enactment of the Housing Act of 1964, shall provide for a single interest rate which shall be applicable also to future amendments of the contract which provide additional funds thereunder, and shall further provide for a periodic revision of the interest rate on the balance outstanding or to be outstanding on such loan or advance based on the going Federal rate on the date of such revision: *Provided*, That any contract for a loan or advance authorized prior to the date of enactment of the Housing Act of 1964 shall be amended (with the first amendment to such contract authorized after the date of enactment of such Act) to provide for such a single interest rate (based on the going Federal rate at the time such amendment is authorized) and for periodic revision thereof.”

RELOCATION PAYMENTS TO DISPLACED PERSONS AND BUSINESSES

42 USC 1450-
 1464.

SEC. 310. (a) Title I of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

“RELOCATION

“SEC. 114. (a) Notwithstanding any other provision of this title, an urban renewal project may include the making of payments as prescribed in this section to displaced individuals, families, business concerns, and nonprofit organizations; and any contract for financial assistance under this title shall provide that the capital grant otherwise payable for the project shall be increased by an amount equal to such payments and that no part of the amount of such payments shall be required to be contributed as part of the local grant-in-aid. As used in this section, ‘displaced’ refers to displacement from an urban renewal area made necessary by (1) the acquisition of real property by a local public agency or by any other public body, (2) code enforcement activities undertaken in connection with an urban renewal project, or (3) a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan.

“(b) A local public agency may pay to any displaced business concern or nonprofit organization—

“(1) its reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which

are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): *Provided*, That such payment shall not exceed \$3,000 (or, if greater, the total certified actual moving expenses); and

"(2) an additional \$1,500 in the case of a private business concern with average annual net earnings of less than \$10,000 per year which (A) was doing business in a location in the urban renewal area on the date of local approval of the urban renewal plan (or of acquisition of real property under the third sentence of section 102(a)), (B) is displaced on or after January 27, 1964, and (C) is not part of an enterprise having establishments outside the urban renewal area.

Notwithstanding the provisions of clause (1) of the preceding sentence, a business concern which is not being displaced from an urban renewal area shall be eligible for payments under such clause (1) of its certified actual moving expenses with respect to its outdoor advertising displays being removed from the urban renewal area in the same manner as though such business concern were being displaced.

"(c) (1) A local public agency may pay to any displaced individual or family his or its reasonable and necessary moving expenses and any actual direct losses of property (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made): *Provided*, That such payment shall not exceed \$200: *And provided further*, That the Administrator may authorize payment to individuals and families of fixed amounts (not to exceed \$200 in any case) in lieu of their respective reasonable and necessary moving expenses and actual direct losses of property.

"(2) A local public agency may pay (in addition to any amount under paragraph (1)), on behalf of any displaced family or any displaced individual sixty-two years of age or over, during the first five months after displacement, a relocation adjustment payment, not to exceed \$500, to assist such displaced individual or family to acquire a decent, safe, and sanitary dwelling. The relocation adjustment payment shall be an amount which, when added to 20 per centum of the annual income of the displaced individual or family at the time of displacement, equals the average rental required, for a 12-month period, for such a decent, safe, and sanitary dwelling of modest standards adequate in size to accommodate the displaced individual or family (in the urban renewal area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities): *Provided*, That such payment shall be made only to an individual or family who is unable to secure a dwelling unit in a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Administrator to have the same general purposes as the Federal program under such Act: *Provided further*, That payments under this paragraph shall be available only in the case of families, and individuals sixty-two years of age or over, displaced on or after January 27, 1964.

"(d) The Administrator is authorized to establish such rules and regulations as he may deem appropriate in carrying out the provisions of this section and may provide in any contract with a local public agency, or in regulations promulgated by the Administrator, that determinations of any duly designated officer or agency as to eligibility for and the amount of relocation assistance authorized by this section shall be final and conclusive for any purposes and not subject to redetermination by any court or any other officer. Such regulations shall include provisions to assure that relocation payments, as authorized by this section, shall be made as promptly as possible to all families, individuals, business concerns, and nonprofit organizations found to be

50 Stat. 888.
42 USC 1430.

eligible for such payments by reason of their having been displaced from property in the urban renewal area, without regard to any subsequent proceedings, determinations, or events relating to such property which do not bear upon whether such displacement in fact occurred."

42 USC 1450-1464.

Ante, p. 788.

70 Stat. 1100.
42 USC 1456.

(b) Any contract with a local public agency which was executed under title I of the Housing Act of 1949 before the date of the enactment of this Act may be amended to provide for payments authorized by section 114 of the Housing Act of 1949.

(c) Section 106 of the Housing Act of 1949 is amended by striking out subsection (f).

ACQUISITION OF PROPERTY AFFECTED BY COAL MINE SUBSIDENCE OR UNDERGROUND MINE FIRES

68 Stat. 626.
42 USC 1460.

SEC. 311. (a) Section 110(e) of the Housing Act of 1949 is amended by adding at the end thereof the following new paragraph:

"Where a project includes the acquisition of property which has been damaged because of the collapse or subsidence of underlying coal mines, or underground mine fires, and the property is to be acquired from an individual, family, business concern, or nonprofit organization which was the owner of such property at the time the damage first occurred, the amount otherwise allowable as the acquisition price of such property may be increased by an amount equal to so much of any diminution in the value of such property as is determined to be reasonably attributable to such damage and to represent an otherwise uncompensated and (but for such acquisition) uncompensable loss actually sustained by such owner."

(b) Any contract under title I of the Housing Act of 1949 executed prior to the date of enactment of the Housing Act of 1964 may be amended to provide for payment of the increased amounts authorized under the amendment made by subsection (a) with respect to any uncompleted project if the project includes acquisitions which, under any State or local law in effect on such date, would involve expenditures by a local public agency that could not otherwise be included in the costs of such project.

REHABILITATION LOANS

SEC. 312. (a) To assist rehabilitation in an urban renewal area and thereby reduce the need for demolition and removal of structures, the Housing and Home Finance Administrator is hereby authorized, through the utilization of local public and private agencies where feasible, to make loans as herein provided to the owners or tenants of property in such area to finance rehabilitation required to make the property conform to applicable code requirements or to carry out the objectives of the urban renewal plan for the area. No loan shall be made under this section unless the Administrator finds (1) that the applicant is unable to secure the necessary funds from other sources upon reasonable terms and conditions, and (2) the loan is an acceptable risk taking into consideration the need for the rehabilitation, the security available for the loan, and the ability of the applicant to repay the loan.

Definitions.

(b) For the purposes of this section—

(1) the term "rehabilitation" means the improvement or repair of a structure or facilities in connection with a structure, and may include the provision of such sanitary or other facilities as are required by applicable codes or the urban renewal plan to be provided by the owner or tenant of the property;

(2) the term "urban renewal area" means a slum area or a blighted, deteriorated, or deteriorating area as defined in section 110(a) of the Housing Act of 1949;

68 Stat. 626.

42 USC 1460.

(3) the term "tenant" means a person or organization who is occupying a structure under a lease having a period to run at the time a rehabilitation loan is made under this section of not less than the term of the loan; and

(4) the term "Administrator" means the Housing and Home Finance Administrator.

(c) A rehabilitation loan made under this section shall be subject to the following limitations:

(1) The loan shall be subject to such terms and conditions as may be prescribed by the Administrator.

(2) The term of the loan may not exceed twenty years or three-fourths of the remaining economic life of the structure after rehabilitation, whichever is less.

(3) The loan shall bear interest at such rate as the Administrator determines to be appropriate but not to exceed 3 per centum per annum of the amount of the principal outstanding at any time, and the Administrator may prescribe such other charges as he finds necessary, including service charges and appraisal, inspection, and other fees.

(4) The amount of the loan may not exceed—

(A) in the case of residential property, the amount of a loan which could be insured by the Federal Housing Commissioner under section 220(h) of the National Housing Act: *Provided*, That, within the limitations otherwise applicable on the amount of a loan under such section, the loan may exceed the cost of rehabilitation in order to include an amount approved by the Administrator to refinance existing indebtedness secured by such property if such refinancing is necessary to enable the applicant to amortize, with a monthly payment of not more than 20 per centum of his average monthly income, such loan and any other indebtedness secured by his property; and

75 Stat. 154.

12 USC 1715k.

(B) in the case of nonresidential property, whichever of the following is the least: \$50,000, or the cost of rehabilitation, or an amount which when added to any outstanding indebtedness related to the property securing the loan creates a total outstanding indebtedness that the Administrator determines could be reasonably secured by a first mortgage on the property.

(5) A loan shall be secured as determined by the Administrator.

(d) There is authorized to be appropriated not to exceed \$50,000,000 which shall constitute a revolving fund to be used by the Administrator in carrying out this section.

(e) In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Administrator shall have (in addition to any authority otherwise vested in him) the functions, powers, and duties set forth in section 402 of the Housing Act of 1950 (except subsection (c)(2)).

64 Stat. 78.

12 USC 1749a.

(f) The Administrator is authorized to delegate to or use as his agent any Federal or local public or private agency or organization to the extent he determines appropriate and desirable to carry out the objectives of this section in the area involved.

(g) The Administrator is authorized to issue such rules and regulations and impose such requirements and conditions (in addition to those specified in this section) as he determines to be desirable to carry out the objectives of this section, including limitations on the amount of a loan and restrictions on the use of the property involved.

URBAN RENEWAL DEMONSTRATION PROGRAM

68 Stat. 629.
42 USC 1452a.

SEC. 313. Section 314 of the Housing Act of 1954 is amended—

(1) by inserting "(a)" after "314." at the beginning of the section;

(2) by inserting before the period at the end of the second sentence the following: "but such a grant may in addition cover the full cost of writing and publishing the reports on such activities and undertakings";

(3) by inserting "activities and" before "undertakings" in the third sentence;

(4) by striking out the fourth and fifth sentences; and

(5) by adding at the end thereof the following new subsections:

"(b) The Administrator is further authorized to pay for the cost of (1) writing and publishing reports on activities and undertakings financed by grants made under this section, as well as reports on similar activities and undertakings, not so financed, which are of significant value in furthering the purposes of this section, and (2) writing and publishing summaries and other informational material on such reports.

"(c) The aggregate amount of grants made under subsection (a), and other costs incurred pursuant to subsection (b), shall not exceed \$10,000,000 and shall be payable from the grant funds provided under and authorized by section 103(b) of the Housing Act of 1949. The Administrator may make advance or progress payments on account of any contract entered into pursuant to this section, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended."

Ante, p. 785.
42 USC 1453.

31 USC 529.

URBAN AND REGIONAL PLANNING GRANTS

73 Stat. 678.
40 USC 461.

SEC. 314. (a) Section 701(a) of the Housing Act of 1954 is amended by striking out "resulting from rapid urbanization" in clause (B) of paragraph (1).

(b) Section 701(a) of such Act is further amended by—

(1) striking out "and" at the end of paragraph (4);

(2) striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and

(3) adding two new paragraphs after paragraph (5) as follows:

"(6) metropolitan and regional planning agencies, with the approval of the State planning agency or (in States where no such planning agency exists) of the Governor of the State, for the provision of planning assistance within the metropolitan area or region to cities, other municipalities, counties, groups of adjacent communities, or Indian reservations described in clauses (A), (B), (C), and (D) of paragraph (1) of this subsection;

"(7) to official governmental planning agencies for any area where there has occurred a substantial reduction in employment opportunities as the result of (A) the closing (in whole or in part) of a Federal installation, or (B) a decline in the volume of Government orders for the procurement of articles or materials produced or manufactured in such area; and"

(c) Section 701(a) of such Act is further amended by striking out "(a)" after "section 5" in paragraph (3).

(d) Section 701(b) of such Act is amended by striking out the proviso in the first sentence and inserting in lieu thereof "Provided, That such a grant may be in an amount not exceeding three-fourths of such estimated cost to an official governmental planning agency for an area described in subsection (a) (7), or for planning being carried out for a city, other municipality, county, group of adjacent communi-

ties, or Indian reservation in an area designated by the Secretary of Commerce as a redevelopment area under section 5 of the Area Redevelopment Act".

75 Stat. 48.
42 USC 2504.

PLANNING GRANTS FOR INDIAN RESERVATIONS

SEC. 315. (a) Section 701(a) of the Housing Act of 1954 is amended by—

73 Stat. 678.
40 USC 461.

(1) striking out "and" at the end of clause (B) of paragraph (1);

(2) inserting ", and (D) Indian reservations" before the semicolon at the end of paragraph (1); and

(3) inserting a new paragraph after paragraph (7) (added by section 314(b)) as follows:

"(8) tribal planning councils or other tribal bodies designated by the Secretary of the Interior for planning for an Indian reservation to which no State planning agency or other agency or instrumentality is empowered to provide planning assistance under clause (D) of paragraph (1) above."

(b) Section 701(d) of such Act is amended by—

(1) striking out "and urban regions" in the first sentence and inserting in lieu thereof "urban regions, and Indian reservations"; and

(2) inserting after "instrumentalities" in the second sentence the following: ", and to Indian tribal bodies,".

ELIGIBILITY OF COUNTIES FOR PLANNING ASSISTANCE

SEC. 316. Section 701(a) of the Housing Act of 1954 is amended by striking out clause (A) of paragraph (1) and inserting in lieu thereof the following: "(A) cities and other municipalities having a population of less than 50,000 according to the latest decennial census, and counties without regard to population: *Provided*, That grants shall be made under this paragraph for planning assistance to counties having a population of 50,000 or more, according to the latest decennial census, which are within metropolitan areas, only if (i) the Administrator finds that planning and plans for such county will be coordinated with the program of comprehensive planning, if any, which is being carried out for the metropolitan area of which the county is a part, and (ii) the aggregate amount of the grants made subject to this proviso does not exceed 15 per centum of the aggregate amount appropriated, after the date of enactment of the Housing Act of 1964, for the purposes of this section,".

PLANNING GRANT AUTHORIZATION

SEC. 317. Section 701(b) of the Housing Act of 1954 is amended by striking out "\$75,000,000" in the last sentence and inserting in lieu thereof "\$105,000,000".

PLANNING PROBLEMS RESULTING FROM CHAMIZAL TREATY OF 1963

SEC. 318. Notwithstanding the provisions of section 701 of the Housing Act of 1954 with respect to the eligibility of a city for a grant thereunder, the Housing and Home Finance Administrator is authorized to make planning grants to the city of El Paso, Texas, for the purpose of assisting it to solve those urban planning problems that have resulted or are expected to result from the Chamizal Treaty of 1963 between the United States of America and the Republic of Mexico. Any such grants shall be subject to all other conditions and requirements contained in such section 701.

SMALL BUSINESS ADMINISTRATION LOANS

75 Stat. 167.
15 USC 636.

SEC. 319. Section 7(b) (3) of the Small Business Act is amended by inserting before the period at the end thereof the following: “; and the purposes of a loan made pursuant to this paragraph may, in the discretion of the Administrator, include the purchase or construction of other premises whether or not the borrower owned the premises from which it was displaced”.

TITLE IV—HOUSING FOR LOW-INCOME FAMILIES

ELIGIBILITY OF DISPLACED INDIVIDUALS

50 Stat. 888;
Ante, p. 784.
42 USC 1402.

SEC. 401. (a) Section 2(2) of the United States Housing Act of 1937 is amended to read as follows:

“(2) The term ‘families of low income’ means families (including elderly and displaced families) who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term ‘families’ includes families consisting of a single person in the case of elderly families and displaced families, and includes the remaining member of a tenant family. The term ‘elderly families’ means families whose heads (or their spouses), or whose sole members, have attained the age at which an individual may elect to receive an old age benefit under title II of the Social Security Act, or who are under a disability as defined in section 223 of that Act. The term ‘displaced families’ means families displaced by urban renewal or other governmental action.”

42 USC 401-425.
70 Stat. 815.
42 USC 423.
75 Stat. 164.
42 USC 1410.

(b) Section 10(g) (2) of such Act is amended by—

(1) striking out “those displaced by urban renewal or other governmental action” and inserting in lieu thereof “displaced families”; and

(2) striking out “; and” at the end thereof and inserting in lieu thereof the following: “: *Provided*, That in establishing such admission policies the public housing agency shall accord to families of low income such priority over single persons as it determines to be necessary to avoid undue hardship; and”.

63 Stat. 422;
75 Stat. 165.
42 USC 1415.

(c) Section 15(7) (b) of such Act is amended by striking out “family displaced by urban renewal or other governmental action” and inserting in lieu thereof “displaced family”.

ADDITIONAL SUBSIDY FOR URBAN RENEWAL AND LOW-RENT HOUSING
DISPLACEDS

SEC. 402. The first proviso in section 10(a) of the United States Housing Act of 1937 is amended to read as follows: “: *Provided*, That the Authority may, in addition to the payments guaranteed under the contract, pay not to exceed \$120 per annum per dwelling unit occupied by an elderly family, or a displaced family if such family was displaced by an urban renewal or low-rent housing project on or after January 27, 1964, on the last day of the project fiscal year where such amount, in the determination of the Authority, was necessary to enable the public housing agency to lease the dwelling unit to an elderly or displaced family at a rental it could afford and to operate the project on a solvent basis, and, in the case of displaced families, if and to the extent that the average or estimated average rental for units so occupied by such families was less than the rental which the Authority determines, on the basis of the average or estimated average project rentals, would have been established in leasing the units to families which were neither elderly nor similarly displaced”.

INCREASE IN AUTHORIZATION FOR ANNUAL CONTRIBUTIONS

SEC. 403. Section 10(e) of the United States Housing Act of 1937 is amended by striking out "\$336,000,000" and inserting in lieu thereof "\$366,250,000". 75 Stat. 163.
42 USC 1410.

PAYMENTS IN LIEU OF TAXES BY LOCAL HOUSING AUTHORITIES; LOCAL CONTRIBUTIONS

SEC. 404. Section 10(h) of the United States Housing Act of 1937 is amended by striking out all that follows the first colon and inserting in lieu thereof the following: "*Provided*, That, with respect to any such project which is not exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivisions, such contract shall provide, in lieu of the requirement for tax exemption and payments in lieu of taxes, that no annual contributions by the Authority shall be made available for such project unless and until the State, city, county, or other political subdivisions in which such project is situated shall contribute, in the form of cash or tax remission, the amount by which the taxes paid with respect to the project exceed 10 per centum of the annual shelter rents charged in such project: *Provided further*, That, prior to execution of the contract for annual contributions the public housing agency shall, in the case of a tax-exempt project, notify the governing body of the locality of its estimate of the annual amount of such payments in lieu of taxes and of the amount of taxes which would be levied if the property were privately owned, or, in the case where the project is taxed, its estimate of the annual amount of the local cash contribution, and shall thereafter include the actual amounts of such payments or contributions in its annual report. Contracts for annual contributions entered into prior to the effective date of the Housing Act of 1964 may be amended in accordance with the first sentence of this subsection." 68 Stat. 631.

RELOCATION OF FAMILIES AND INDIVIDUALS DISPLACED FROM PROJECT SITES

SEC. 405. (a) Section 15(7)(b) of the United States Housing Act of 1937 is amended by striking out "and" before "(ii)", and by inserting before the period at the end thereof the following: "; and (iii) unless the public housing agency has demonstrated to the satisfaction of the Authority that there is a feasible method for the temporary relocation of the individuals and families displaced from the project site, and that there are or are being provided, in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of such individuals and families, decent, safe, and sanitary dwellings equal in number to the number of and available to such individuals and families and reasonably accessible to their places of employment". 63 Stat. 422.
42 USC 1415.

(b) The amendments made by subsection (a) shall not be applicable to any project for which an application for preliminary loan has been approved by the local governing body prior to the date of the enactment of this Act.

RELOCATION PAYMENTS

SEC. 406. Section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph: "(8) The Authority may authorize the cost of relocation payments made by public housing agencies to be included with the development 75 Stat. 164.

or acquisition cost of any project for purposes of determining the amount of loans and annual contributions authorized to be made with respect to such project under sections 9 and 10, but such costs shall be separately stated as relocation costs. For purposes of this paragraph, a 'relocation payment' is a payment (i) which is made to an individual, family, business concern, or nonprofit organization displaced on or after January 27, 1964, from a low-rent housing project site as a result of the acquisition of real property by a public housing agency, (ii) which is not otherwise authorized under any Federal law, and (iii) which is made only on such terms and conditions, and subject to such limitations, as are authorized (as of the time such payment is approved) under section 114 (b) or (c) of the Housing Act of 1949 for relocation payments made to individuals, families, business concerns, or nonprofit organizations, as the case may be."

Ante, pp. 788,
789.

LOW-INCOME HOUSING DEMONSTRATION PROGRAM AUTHORIZATION

75 Stat. 165.
42 USC 1436.

SEC. 407. Section 207 of the Housing Act of 1961 is amended by striking out "\$5,000,000" and inserting in lieu thereof "\$10,000,000".

TITLE V—RURAL HOUSING

EXTENSION OF RURAL HOUSING PROGRAMS

75 Stat. 186;
76 Stat. 672.
42 USC 1481.

SEC. 501. (a) The second sentence of section 511 of the Housing Act of 1949 is amended by—

(1) striking out "June 30, 1965" and inserting in lieu thereof "September 30, 1965"; and

(2) striking out "\$700,000,000" and inserting in lieu thereof "\$850,000,000".

75 Stat. 186.

(b) Section 512 of such Act is amended by striking out "June 30, 1965" and inserting in lieu thereof "September 30, 1965".

75 Stat. 186.

(c) Section 513 of such Act is amended by striking out "June 30, 1965", each place it appears, and inserting in lieu thereof "September 30, 1965".

76 Stat. 671.
42 USC 1485.

(d) Section 515(b) of such Act is amended by—

(1) striking out "\$100,000" in clause (1) and inserting in lieu thereof "\$300,000"; and

(2) striking out "1964" in clause (5) and inserting in lieu thereof "1965".

DEFINITION OF DOMESTIC FARM LABOR

75 Stat. 188.
42 USC 1484.

SEC. 502. Section 514(f) (3) of the Housing Act of 1949 is amended to read as follows:

"(3) the term 'domestic farm labor' means persons who receive a substantial portion (as determined by the Secretary) of their income as laborers on farms situated in the United States and either (A) are citizens of the United States or (B) reside in the United States after being legally admitted for permanent residence therein."

LOW-RENT HOUSING FOR DOMESTIC FARM LABOR

63 Stat. 432;
76 Stat. 671.
42 USC 1471-1485.

SEC. 503. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"FINANCIAL ASSISTANCE TO PROVIDE LOW-RENT HOUSING FOR DOMESTIC
FARM LABOR

"SEC. 516. (a) Upon the application of any State or political subdivision thereof, or any public or private nonprofit organization, the Secretary is authorized to provide financial assistance for the provision of low-rent housing and related facilities for domestic farm labor, if he finds that—

"(1) the housing and related facilities for which financial assistance is requested will fulfill a pressing need in the area in which such housing and facilities will be located, and there is reasonable doubt that the same can be provided without financial assistance under this section;

"(2) the applicant will contribute, from its own resources or from funds borrowed under section 514 or elsewhere, at least one-third of the total development cost;

75 Stat. 186.
42 USC 1484.

"(3) the types of housing and related facilities to be provided are most practical, giving due consideration to the purposes to be served thereby and the needs of the occupants thereof; and

"(4) the construction will be undertaken in an economical manner, and the housing and related facilities will not be of elaborate or extravagant design or material.

"(b) The amount of any financial assistance provided under this section for low-rent housing and related facilities shall not exceed two-thirds of the total development cost thereof, as determined by the Secretary, less such amount as the Secretary determines can be practicably obtained from other sources (including a loan under section 514).

"(c) No financial assistance for low-rent housing and related facilities shall be made available under this section unless, to any extent and for any periods required by the Secretary, the applicant agrees—

"(1) that the rentals charged domestic farm labor shall not exceed such amounts as may be approved by the Secretary, giving due consideration to the income and earning capacity of the tenants, and the necessary costs of operating and maintaining such housing;

"(2) that such housing shall be maintained at all times in a safe and sanitary condition in accordance with such standards as may be prescribed by State or local law, or, in the absence of such standards, in accordance with such minimum requirements as the Secretary shall prescribe; and

"(3) an absolute priority will be given at all times in granting occupancy of such housing and facilities to domestic farm labor.

"(d) The Secretary may make payments pursuant to any contract for financial assistance under this section at such times and in such manner as may be specified in the contract. In each contract, the Secretary shall include such covenants, conditions, or provisions as he deems necessary to insure that the housing and related facilities, for which financial assistance is made available, be used only in conformity with the provisions of this section.

"(e) The Secretary shall prescribe regulations to insure that Federal funds expended under this section are not wasted or dissipated.

"(f) All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary which are undertaken by approved applicants under this section shall be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary shall not extend any financial assistance under this section for any project

49 Stat. 1011;
Ante, p. 238.

without first obtaining adequate assurance that these labor standards will be maintained on the construction work; except that compliance with such standards may be waived by the Secretary in cases or classes of cases where laborers or mechanics, not otherwise employed at any time on the project, voluntarily donate their services without compensation for the purpose of lowering the costs of construction and the Secretary determines that any amounts thereby saved are fully credited to the person, corporation, association, organization, or other entity undertaking the project. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z-15), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

63 Stat. 108.

“(g) As used in this section—

“(1) the term ‘low-rent housing’ means rental housing within the financial reach of families of low income consisting of (A) new structures suitable for dwelling use by domestic farm labor, and (B) existing structures which can be made suitable for dwelling use by domestic farm labor by rehabilitation, alteration, conversion, or improvement;

Ante, p. 796.

“(2) the terms ‘related facilities’ and ‘domestic farm labor’ shall have the meaning assigned to them in section 514(f); and

76 Stat. 671.

42 USC 1485.

42 USC 1483.

“(3) the term ‘development cost’ shall have the meaning assigned to it in section 515(d)(4).”

(b) Section 513 of such Act is amended by redesignating clauses “(c)” and “(d)” as clauses “(d)” and “(e)” respectively, and by inserting after the semicolon at the end of clause (b) the following: “(c)” not to exceed \$10,000,000 for financial assistance pursuant to section 516 for the period ending September 30, 1965;”.

42 USC 1476.

(c) Section 506(a) of such Act is amended by striking out “sections 514 and 515”, each place it appears, and inserting in lieu thereof “sections 514-516”.

TITLE VI—COMMUNITY FACILITIES

PUBLIC FACILITY LOANS

75 Stat. 173.

42 USC 1492.

SEC. 601. (a) Section 202(a) of the Housing Amendments of 1955 is amended by striking out in clause (1) of the first sentence “instrumentalities of States” and inserting in lieu thereof “instrumentalities of one or more States”, and by striking out “in the same State” and inserting in lieu thereof “of one or more States”.

(b) Section 202(b)(4) of such Amendments is amended by—

(1) striking out “the second sentence of section 5(a) of the Area Redevelopment Act” and inserting in lieu thereof “section 5 of the Area Redevelopment Act”; and

75 Stat. 48.

42 USC 2504.

(2) inserting “(A)” before “to any municipality” in the first sentence, and by striking out everything following the phrase “most recent decennial census, or” in that sentence and inserting in lieu thereof the following: “; (B) to any public agency or instrumentality serving one or more municipalities, political subdivisions, or unincorporated areas in one or more States, unless each municipality, political subdivision, or unincorporated area to be served by the specific public work or facility for which assistance is sought under this section has a population less than the applicable figure under clause (A) according to such census.”

ADVANCES FOR PUBLIC WORKS PLANNING

SEC. 602. (a) Section 702(e) of the Housing Act of 1954 is amended to read as follows: 69 Stat. 641.
40 USC 462.

"(e) In order to provide moneys for advances in accordance with this section, the Administrator is hereby authorized to establish a revolving fund which shall comprise (1) all moneys heretofore or hereafter appropriated pursuant to this section, together with all repayments and other receipts heretofore or hereafter received in connection with advances made under this section, and (2) all repayments and other receipts received after June 30, 1964, and all advances (and claims in connection with advances) outstanding as of such date, under title V of the War Mobilization and Reconversion Act of 1944 (58 Stat. 791) and the Act of October 13, 1949 (63 Stat. 841-2). There are authorized to be appropriated to such revolving fund, in addition to amounts authorized to be appropriated for the purposes of this section prior to the date of the enactment of the Housing Act of 1964, such sums, not to exceed \$20,000,000, as may be necessary to carry out the purposes of this section." 50 USC app. 1671 note.
40 USC 451-458.

(b) Section 702 of such Act is further amended by adding at the end thereof the following new subsection:

"(h) (1) Notwithstanding any other provision of law, if a public agency or Indian tribe undertakes to construct only a portion of a public work planned with an advance under this section, under title V of the War Mobilization and Reconversion Act of 1944, or under the Act of October 13, 1949, it shall repay only such proportionate amount of the advance relating to the public work as the Administrator determines to be equitable.

"(2) The Administrator is authorized to terminate, upon such terms and conditions as he shall deem equitable, all or a portion of the liability for repayment of any advance made under this section, title V of the War Mobilization and Reconversion Act of 1944, or the Act of October 13, 1949. Whenever the Administrator determines that there is no reasonable likelihood that the public work, or a portion of the public work, planned with such advance will be constructed, he may terminate the agreement for the advance. Such determination shall be conclusive and shall be based on standards prescribed by regulations to be issued by the Administrator."

(c) Section 702 of such Act is further amended—

(1) by striking out "public agencies" wherever that term appears in subsection (a) and inserting in lieu thereof "public agencies and Indian tribes";

(2) by striking out "public agency" in clause (3) of subsection (b) and inserting in lieu thereof "public agency or Indian tribe";

(3) by striking out "to any public agency" and "by the public agency" in subsection (c) and inserting in lieu thereof "to any public agency or Indian tribe" and "by the public agency or Indian tribe", respectively, and by striking out "by such agency" in such subsection and inserting in lieu thereof "by such agency or tribe"; and

(4) by striking out "That if" and all that follows down through "And provided further," in subsection (c).

(d) Section 702(f) of such Act is amended by striking out "\$50,000" and inserting in lieu thereof "\$100,000". 73 Stat. 686.

(e) Section 702(a) of such Act is amended by inserting immediately before the first colon the following: "including, in the case of public works to be constructed in connection with the development of a medical center, a general plan for the development of such center".

(f) Section 702(b) of such Act is amended by striking out the last sentence.

TITLE VII—FEDERAL NATIONAL MORTGAGE
ASSOCIATION

POOLING OF MORTGAGES FOR SALE

68 Stat. 613.
12 USC 1717.

SEC. 701. (a) Section 302 of the National Housing Act is amended by adding at the end thereof a new subsection as follows:

12 USC 1722.

“(c) Notwithstanding any other provision of this Act or of any other law, the Association is authorized under section 306 to create, accept, execute, and otherwise administer in all respects such trusts, receiverships, conservatorships, liquidating or other agencies, or other fiduciary and representative undertakings and activities as might be appropriate for financing purposes; and in relation thereto the Association may acquire, hold and manage, dispose of, and otherwise deal in any first mortgages in which the United States or any agency or instrumentality thereof may have a financial interest. The Association may join in any such undertakings and activities notwithstanding that it is also serving in a fiduciary or representative capacity; and is authorized, consistent with section 307, to guarantee any participations or other instruments, whether evidence of property rights or debt, issued for such financing purposes. Any participations or other instruments so guaranteed shall to the same extent as securities issued or guaranteed by the United States or its instrumentalities be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission. The amounts of any mortgages acquired by the Association under section 306, pursuant to this subsection, shall not be included in the total amounts set forth in section 306(c).”

12 USC 1723c.

(b)(1) Section 311 of such Act is amended by inserting after “obligations” the following: “, participations, or other instruments”.

12 USC 1719,
1721.

(2) Sections 304(b) and 306(b) of such Act are amended respectively by striking out “or obligations which are lawful investments” and inserting in lieu thereof “or obligations, participations, or other instruments which are lawful investments”.

12 USC 1723b.

(3) Section 310 of such Act is amended by striking out “or in obligations which are lawful investments” and inserting in lieu thereof “or in obligations, participations, or other instruments which are lawful investments”.

12 USC 24.

(c) The penultimate sentence of paragraph Seventh of section 5136 of the Revised Statutes is amended by striking out “or obligations of the Federal National Mortgage Association” and inserting in lieu thereof “or obligations, participations, or other instruments of or issued by the Federal National Mortgage Association”.

68 Stat. 622.

12 USC 1431.

(d)(1) Section 11(h) of the Federal Home Loan Bank Act is amended by striking out “in obligations of the Federal National Mortgage Association” and inserting in lieu thereof “in obligations, participations, or other instruments of or issued by the Federal National Mortgage Association”.

12 USC 1436.

(2) The last sentence of section 16 of such Act is amended by striking out “in obligations of the Federal National Mortgage Association” and inserting in lieu thereof “in obligations, participations, or other instruments of or issued by the Federal National Mortgage Association”.

72 Stat. 1213.

(e)(1) Section 1820 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

“(e)(1) The Administrator is authorized from time to time, as he determines advisable, to set aside first mortgage loans, and installment sale contracts, owned and held by him under this chapter as the basis for the sale of participation certificates as herein provided.

For this purpose the Administrator may enter into agreements, including trust agreements, with the Federal National Mortgage Association, and any other Federal agency, under which the Association as fiduciary may sell certificates of participation based on principal and interest collections to be received by the Administrator and the Association or any other such agency on first mortgage loans and installment sale contracts comprising mortgage pools established by them. The agreement may provide for substitution or withdrawal of mortgage loans, or installment sale contracts, or for substitution of cash for mortgages in the pool. The agreement shall provide that the Federal National Mortgage Association shall promptly pay to the Administrator the entire proceeds of any sale of certificates of participation to the extent such certificates are based on mortgages, including installment sale contracts, set aside by the Administrator and he shall periodically pay to the Association, as fiduciary, such funds as are required for payment of interest and principal due on outstanding certificates of participation to the extent of the pro rata amount allocated to the Administrator pursuant to the agreement. The agreement shall also provide that the Administrator shall retain ownership of mortgage loans and installment sale contracts set aside by him pursuant to the agreement unless transfer of ownership to the fiduciary is required in the event of default or probable default in the payment of participation certificates. The Administrator is authorized to purchase outstanding certificates of participation to the extent of the amount of his commitment to the fiduciary on participations outstanding and to pay his proper share of the costs and expenses incurred by the Federal National Mortgage Association as fiduciary pursuant to the agreement.

“(2) The Administrator shall proportionately allocate and deposit the entire proceeds received from the sale of participations into the funds established pursuant to sections 1823 and 1824 of this chapter, as determined on an estimated basis, and the amounts so deposited shall be available for the purposes of the funds. The Administrator may nevertheless make such allocations of that part of the proceeds of participation sales representing anticipated interest collections on mortgage loans, including installment sale contracts, on other than an estimated proportionate basis if determined necessary to assure payment of interest on advances theretofore made to the Administrator by the Secretary of the Treasury for direct loan purposes. The Administrator shall set aside and maintain necessary reserves in the funds established pursuant to sections 1823 and 1824 of this chapter to be used for meeting commitments pursuant to this subsection and, as he determines to be necessary, for meeting interest payments on advances by the Secretary of the Treasury for direct loan purposes.”

(2) Section 1823 of title 38, United States Code, is amended by-- 72 Stat. 1214.

(1) inserting before the period at the end of the last sentence of subsection (a) the following: “, and a reasonable reserve for meeting commitments pursuant to subsection 1820(e) of this title”; and Ante, p. 800.

(2) inserting before the period at the end of the last sentence of subsection (c) the following: “and for the purposes of meeting commitments under subsection 1820(e) of this title”.

FNMA—REMOVAL OF \$20,000 MORTGAGE AMOUNT LIMITATION

70 Stat. 1096.
12 USC 1717.
12 USC 1720.

SEC. 702. Section 302(b) of the National Housing Act is amended—
(1) by striking out “any mortgage” in clause (3) and inserting in lieu thereof “any mortgage under section 305”; and
(2) by striking out the proviso in clause (3).

FNMA—NINETY PER CENTUM LOANS

75 Stat. 176.
12 USC 1719.

SEC. 703. Section 304(a)(2) of the National Housing Act is amended by striking out “80 per centum” and inserting in lieu thereof “90 per centum.”

FNMA—PURCHASE OF PARTICIPATIONS

70 Stat. 1096.

SEC. 704. Section 304(d) of the National Housing Act is hereby repealed.

TITLE VIII—TRAINING AND FELLOWSHIP PROGRAMS

PART 1—FEDERAL-STATE TRAINING PROGRAMS

FINDINGS AND PURPOSE

SEC. 801. (a) The Congress finds that the rapid expansion of the Nation's urban areas and urban population has caused severe problems in urban and suburban development and created a national need to (1) provide special training in skills needed for economic and efficient community development and (2) support research in new or improved methods of dealing with community development problems.

(b) It is the purpose of this part to assist and encourage the States, in cooperation with public or private universities and colleges and urban centers, to (1) organize, initiate, develop, and expand programs which will provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are training to be, employed by a governmental or public body which has responsibilities for community development; and (2) support State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems.

MATCHING GRANTS TO STATES

SEC. 802. (a) Subject to the provisions of this part and in accordance with regulations prescribed by him, the Administrator may make matching grants to States to assist in—

(1) organizing, initiating, developing, or expanding programs to provide special training in skills needed for economic and efficient community development to those technical and professional people who are, or are training to be, employed by a governmental or public body which has responsibilities for community development; and

(2) supporting State and local research that is needed in connection with housing programs and needs, public improvement programing, code problems, efficient land use, urban transportation, and similar community development problems, and collecting, collating, and publishing statistics and information relating to such research.

(b) No grants may be made to a State under this part unless the Administrator has approved a plan for the State which—

(1) sets forth the proposed use of the funds and the objectives to be accomplished;

(2) explains the method by which the required amounts from non-Federal sources will be obtained;

(3) provides such fiscal control and fund accounting procedures as may be reasonably necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State under this part;

(4) designates an officer or agency of the State government who has responsibility and authority for the administration of a statewide research and training program as the officer or agency with responsibility and authority for the execution of the State program under this part; and

(5) provides that such officer or agency will make such reports to the Administrator, in such form, and containing such information, as may be reasonably necessary to enable the Administrator to perform his duties under this part.

(c) No grant may be made under this part for any use unless an amount at least equal to such grant is made available from non-Federal sources for the same purpose and for concurrent use.

(d) There is authorized to be appropriated for grants under this part, without fiscal year limitation, not to exceed \$10,000,000.

STATE LIMIT

SEC. 803. Not more than 10 per centum of the total amount authorized to be appropriated by section 802(d) may be used for making grants to any one State.

TECHNICAL ASSISTANCE, STUDIES, AND PUBLICATION OF INFORMATION

SEC. 804. In order to carry out the purpose of this part, the Administrator is authorized to provide technical assistance to State and local governmental or public bodies and to undertake such studies and publish and distribute such information, either directly or by contract, as he shall determine to be desirable. Nothing contained in this part shall limit any authority of the Administrator under any other provision of law.

MISCELLANEOUS

SEC. 805. (a) As used in this part, the term "State" means any State "State." of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands; and the term "Administrator" means the Housing and Home Finance Administrator.

(b) There are authorized to be appropriated such sums as may be Appropriation. necessary for administrative and other expenses in carrying out this part.

PART 2—FELLOWSHIPS FOR CITY PLANNING AND URBAN STUDIES

SEC. 810. (a) There is hereby authorized to be appropriated not to exceed \$500,000 annually, for a three-year period commencing on July 1, 1964, to be used by the Housing and Home Finance Administrator for the purpose of providing fellowships for the graduate training of professional city planning and urban and housing technicians and specialists as herein provided. Persons shall be selected for such fellowships solely on the basis of ability and upon the recommendation of the Urban Studies Fellowship Advisory Board estab-

Urban Studies
Fellowship Ad-
visory Board.
Establishment.

lished pursuant to subsection (b). Fellowships shall be solely for training in public and private nonprofit institutions of higher education having programs of graduate study in the field of city planning or in related fields (including architecture, civil engineering, economics, municipal finance, public administration, and sociology), which programs are oriented to training for careers in city and regional planning, housing, urban renewal, and community development.

(b) There is hereby established the Urban Studies Fellowship Advisory Board (hereinafter referred to as the "Board"), which shall consist of nine members to be appointed by the Housing and Home Finance Administrator as follows: Three from public institutions of higher learning, and three from private nonprofit institutions of higher education, who are the heads of departments which provide academic courses appropriately related to the fields referred to in subsection (a), and three from national organizations which are directly concerned with problems relating to urban, regional, and community development. The Board shall meet upon the request of the Administrator and shall make recommendations to him with respect to persons to be selected for fellowships under this section. Members of the Board shall be entitled to receive transportation expenses and a per diem in lieu of subsistence as authorized for members of advisory committees created pursuant to section 601 of the Housing Act of 1949.

68 Stat. 645.
12 USC 1701h.

TITLE IX—SAVINGS AND LOAN ASSOCIATIONS

SEC. 901. (a) The first sentence of section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out "fifty miles" and inserting in lieu thereof "one hundred miles".

76 Stat. 778.
12 USC 1464.

(b) The third sentence of section 403(b) of the National Housing Act is amended by striking out all that precedes the first semicolon and inserting in lieu thereof the following: "Each applicant for such insurance shall also file with its application an agreement that during the period that the insurance is in force it will not make any loans beyond one hundred miles from its principal office, except (1) loans in the area beyond such one-hundred-mile limit in which it was operating prior to June 27, 1934, and (2) loans which are made pursuant to regulations of the Corporation: *Provided*, That such agreement shall further provide that any loan made beyond fifty miles from the applicant's principal office (and outside the territory in which it was operating on such date) shall also be subject to such regulations".

12 USC 1726.

SEC. 902. The first proviso in section 5(c) of the Home Owners' Loan Act of 1933 is amended—

68 Stat. 634.
12 USC 1464.

(1) by striking out "\$35,000" and inserting in lieu thereof "\$40,000"; and

(2) by striking out ", except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association".

SEC. 903. The next to last paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows:

"Without regard to any other provision of this subsection, any such association is authorized to invest not more than 5 per centum of its assets in, or in interests in, real property located within urban renewal areas as defined in subsection (a) of section 110 of the Housing Act of 1949 and obligations secured by first liens on real property so located, but no investment shall be made by an association under this sentence in real property or any interest therein if the aggregate investment of the association under this sentence in real property and interests therein, determined as prescribed by the Board, would thereupon exceed 2 per centum of the assets of the association."

68 Stat. 626.
42 USC 1460.

SEC. 904. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by adding at the end thereof a new paragraph as follows: 12 USC 1464.

"For the purpose of this section the terms 'real property' and 'real estate' shall include a leasehold or subleasehold estate in real property under a lease or sublease the term of which does not expire, or which is renewable automatically or at the option of the holder (or at the option of the association) so as not to expire, for at least fifteen years beyond the maturity of the debt."

SEC. 905. Section 5(c) of the Home Owners' Loan Act of 1933 is further amended by adding at the end thereof (after the paragraph added by section 804 of this Act) the following new paragraph:

"Any such association is authorized to invest in the capital stock, obligations, or other securities of any corporation organized under the laws of the State, District, Commonwealth, territory, or possession in which the home office of the association is located, if the entire capital stock of such corporation is available for purchase only by savings and loan associations of that State, District, Commonwealth, territory, or possession and by Federal savings and loan associations having their home offices therein, but no association may make any investment under this sentence if its aggregate outstanding investment under this sentence, determined as prescribed by the Board, would thereupon exceed 1 per centum of its assets."

SEC. 906. Section 10(b) of the Federal Home Loan Bank Act is amended— 61 Stat. 714;
76 Stat. 779.

(1) by striking out "twenty-five" in clause (1) and inserting in lieu thereof "thirty"; and

(2) by striking out "\$35,000" in clause (2) and inserting in lieu thereof "\$40,000". 12 USC 1430.

SEC. 907. The second proviso in the first paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows: 12 USC 1464.

"*And provided further*, That any portion of the assets of such associations may be invested in obligations of, or fully guaranteed as to principal and interest by, the United States, or in the stock or bonds of a Federal Home Loan Bank, or in obligations, participations, or other instruments of or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association or any other agency of the United States; or in general obligations of any State or of any political subdivision thereof; and as used in this proviso the term 'State' shall include the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States".

SEC. 908. The first sentence of the second paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended to read as follows: "Without regard to any other provision of this subsection except the area requirement, any such association is authorized to invest a sum not in excess of 20 per centum of the assets of such association in loans insured under title I of the National Housing Act, in home improvement loans insured under title II of the National Housing Act, in unsecured loans insured or guaranteed under the provisions of the Servicemen's Readjustment Act of 1944, as amended, or chapter 37 of title 38 of the United States Code, and in other loans for property alteration, repair, or improvement: *Provided*, That no such loan, unless so insured or guaranteed, shall be made in excess of \$5,000."

SEC. 909. Title IV of the National Housing Act is amended by adding at the end thereof the following new section:

12 USC 1701-
1706d.

12 USC 1707-
1715y.

58 Stat. 284.
72 Stat. 1203.

12 USC 1724-
1730a.

"INVESTMENT OF CERTAIN FUNDS IN ACCOUNTS OF INSURED INSTITUTIONS

"SEC. 409. The savings accounts and share accounts held by institutions insured by the Corporation, to the extent they are insured by the Corporation, shall be lawful investments and may be accepted as security for all public funds of the United States, fiduciary and trust funds under the authority or control of the United States or any officer or officers thereof, and for the funds of all corporations organized under the laws of the United States (subject to any regulatory authority otherwise applicable), regardless of any limitation of law upon the investment of any such funds or upon the acceptance of security for the investment or deposit of any of such funds."

12 USC 1464.

SEC. 910. Section 5(c) of the Home Owners' Loan Act of 1933 is amended by inserting after the second paragraph the following new paragraph:

"Without regard to any other provision of this subsection, any such association is authorized to invest in loans, obligations, and advances of credit (all of which are hereinafter referred to as 'loans') made for the payment of expenses of college or university education, but no association shall make any investment in loans under this paragraph if the principal amount of its investment in such loans, exclusive of any investment which is or which at the time of its making was otherwise authorized, would thereupon exceed 5 per centum of its assets."

TITLE X—MISCELLANEOUS

OPEN-SPACE PROGRAM—GRANT AUTHORIZATION

75 Stat. 184.
42 USC 1500a.

SEC. 1001. Section 702(b) of the Housing Act of 1961 is amended—

(1) by striking out "\$50,000,000" and inserting in lieu thereof "\$75,000,000"; and

(2) by adding at the end thereof the following: "All funds so appropriated shall remain available until expended."

COLLEGE HOUSING

64 Stat. 80;
75 Stat. 173.
12 USC 1749c.

SEC. 1002. The second paragraph of section 404(b) of the Housing Act of 1950 is amended by striking out the period and inserting in lieu thereof the following: "": *Provided*, That where the law of any State in effect on the date of enactment of the Housing Act of 1964 prevents the institution or institutions, for whose students or students and faculty the housing is to be provided, from cosigning the note, the Administrator shall require the corporation and the proposed project to be approved by such institution (or by any one or more of such institutions) in lieu of such cosigning."

ACQUISITION OF CERTAIN HOUSING BY SECRETARY OF DEFENSE

73 Stat. 683.
42 USC 1594a.

SEC. 1003. The first sentence of section 404(a) of the Housing Amendments of 1955 is amended by inserting before the period at the end thereof the following: " , or (3) any housing situated on or adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) considered by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 608 of the National Housing Act, including adjacent property constructed primarily to provide commercial facilities for the occupants of such housing"

56 Stat. 303.
12 USC 1743.

REAL ESTATE LOANS BY NATIONAL BANKS

SEC. 1004. Clause (3) of the third sentence of the first paragraph of section 24 of the Federal Reserve Act is amended to read as follows: 69 Stat. 633;
“(3) any such loan may be made in an amount not to exceed 80 per 73 Stat. 489.
centum of the appraised value of the real estate offered as security 12 USC 371.
and for a term not longer than twenty-five years if the loan is secured
by an amortized mortgage, deed of trust, or other such instrument
under the terms of which the installment payments are sufficient to
amortize the entire principal of the loan within the period ending on
the date of its maturity, and”.

FOREST HILLS PROJECT IN PADUCAH, KENTUCKY

SEC. 1005. The Federal Housing Commissioner is authorized and
directed to sell to the Paducah-McCracken County Development
Council, Incorporated, of Paducah, Kentucky, for use as a public
facility (including such use by the Paducah Junior College as may be
deemed appropriate by such Council), and for a total price of
\$1,000,000, all right, title, and interest of the United States in and to
the housing project in Paducah known as Forest Hills (a project
constructed under title VIII of the National Housing Act as in effect
prior to August 11, 1955, and subsequently acquired by the Federal
Housing Administration). 63 Stat. 570.
12 USC 1748a-
1748h.

PAYMENT IN LIEU OF TAXES BY HAWAII HOUSING AUTHORITY

SEC. 1006. Notwithstanding the provisions of any other law or any
contract or rule of law, the Public Housing Commissioner shall ap-
prove a payment in lieu of taxes to be made for the fiscal year ended
June 30, 1959, in the amount of \$24,167.78, by the Hawaii Housing
Authority to the city and county of Honolulu.

TRANSFER OF LAND FOR URBAN RENEWAL PURPOSES BY PHILADELPHIA
HOUSING AUTHORITY

SEC. 1007. (a) Notwithstanding the provisions of title I of the
Housing Act of 1949 and the United States Housing Act of 1937, the 42 USC 1441-1464;
Housing and Home Finance Administrator and the Public Housing Ante, p. 788.
Commissioner are authorized and directed to consent to the transfer 50 Stat. 888.
by the Philadelphia Housing Authority to the Philadelphia Rede- 42 USC 1430.
velopment Authority of all property acquired by the Housing Author-
ity for low-rent housing project numbered Pennsylvania 2-51, on
condition that (1) an amount which, together with any funds of the
Housing Authority available for the purpose, is sufficient to pay and
discharge all obligations incurred by the Housing Authority in con-
nection with such low-rent housing project and owing at the time of
transfer, will be paid by the Redevelopment Authority to the Public
Housing Administration to be applied in satisfaction of the Housing
Authority's obligations which it cannot meet with its own funds
available for the purpose, and (2) the total amount so paid by the
Redevelopment Authority will be included in the gross project cost of
its Whitman urban renewal project, Pennsylvania R-35.

(b) The Housing and Home Finance Administrator and the Public
Housing Commissioner are authorized to modify any contracts hereto-
fore entered into and to take any other appropriate action necessary
to carry out the provisions of subsection (a).

ELIGIBILITY OF CERTAIN LOCAL GRANTS-IN-AID

SEC. 1008. (a) Notwithstanding the date of the commencement of construction of the Fox Point hurricane dam in Providence, Rhode Island, local expenditures made in connection with such dam shall, to the extent otherwise eligible, be counted as a local grant-in-aid to the railroad relocation urban renewal project (Rhode Island R-8) in accordance with the provisions of title I of the Housing Act of 1949. (b) Notwithstanding the provisions of section 112(b) of the Housing Act of 1949, expenditures made by the Methodist Hospital of Central Illinois, and Saint Francis Hospital, Peoria, Illinois, for the purchase of two parcels of land on or about June 25 and July 28, 1956, for a price of not more than \$82,980, shall if otherwise eligible be counted as local grants-in-aid to the Peoria "Medical Center" urban renewal project (Illinois R-61) in accordance with the remaining provisions of title I of that Act.

Approved September 2, 1964.

42 USC 1441-
1464; Ante, p. 788.
75 Stat. 169.
42 USC 1463.

LEGISLATIVE HISTORY:

HOUSE REPORTS No. 1703 accompanying H. R. 12175 (Comm. on Banking & Currency) and No. 1828 (Comm. of Conference).

SENATE REPORT No. 1265 (Comm. on Banking & Currency).

CONGRESSIONAL RECORD, Vol. 110 (1964):

July 31: Considered and passed Senate.

Aug. 13: Considered and passed House, amended, in lieu of H. R. 12175.

Aug. 19: House and Senate agreed to conference report.

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
UPON SIGNING S.3049AN ACT RELATING TO HOUSING AND URBAN RENEWAL
THE CABINET ROOM

Members of the Congress, Ladies and Gentlemen: I am pleased today to approve the Housing Act of 1964. I believe that we have a commitment to assure every American an opportunity to live in a decent home, in a safe and a decent neighborhood. This milestone measure will help us to honor that commitment. This Bill carries forward our continuing efforts to eradicate slums and blight in our cities, to assure decent housing for those least able to find it -- the poor, the elderly, the severely handicapped -- and those in our rural areas; to help our communities grow in orderly directions and avoid future blight and assure lasting beauty.

This Bill does more than to continue the successful programs that we have had in operation in the past. It provides new support for greater success in the future. The plight of property owners in urban renewal areas is recognized in this measure. Provision is made so that they can rehabilitate their homes and businesses instead of having to move from the path of the bull dozers. Looking ahead, this measure assists local communities in enforcing housing codes so blight does not develop or persist in the future. It also provides for training local urban development administrators and to produce the city planners that we shall need in the future to guide in the growth that we expect.

This is by no means a Bill just for the cities of America alone. A key new program provides for the construction of low cost rental housing for our farm workers in the Nation. This is a most needed and a most welcome step. Nor is this Bill a Bill solely for the housing of those that are in unfortunate circumstances. It provides expanded benefits to builders and to lenders, and to families in good circumstances. By every standard we think this Bill benefits all Americans, and if we are to continue to keep our commitments in the world, then I believe it is fundamental that we must consider keeping our commitments here at home, and that is what we are trying to do with this legislation.

For our generation, courage is not confined to meeting the challenges far away from us. Courage is also required to meet the problems and the obligations and the challenges that are nearest to us.

This Congress deserves, I believe, very special commendation for the foresight and the courage that it has shown in meeting our problems here at home and in our own country, with our own people. The Urban Mass Transportation Act, the High ay Aid Bill, the Hill-Burton Extension, the many education measures all represent, together, the most

MORE

(OVER)

constructive attack by any Congression on the challenge of keeping America fit and a fine place for our families.

I believe it is noteworthy that all of these programs represent a new spirit of cooperation between the Federal and the state and local governments; likewise, I think it is significant that a strong spirit of trust between the public sector and the private sector is present. We reject the thought of our families living in a faceless, regimented, monotonous America. We intend to preserve the role of private enterprise, the force of private initiative, and the right of private choice in our life as free men.

May I express my very special congratulations this morning to both Senator Sparkman and Congressman Rains, of Alabama. Certainly for Albert Rains this Housing Act of 1964 is a crowning achievement for a highly constructive career of great public service. I know that I express the thought of all of us when I say we regret that he has not chosen to run again for the Congress. We do hope that he will see fit to honor us in other fields of public service in the years ahead.

I want to thank all the members of the Congress who have come here this morning, and applaud their efforts in passing this most constructive and helpful piece of legislation that is designed to benefit all Americans.

END

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